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Daily Report

East Asia

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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APEC Officials Agree on Action Agenda Structure
BK1304151295 Singapore THE STRAITS TIMES in English 12 Apr 95 p 2

[Report by Irene Ngoo]

[FBIS Transcribed Text] APEC [Asia-Pacific Economic Cooperation] senior officials reached broad agreement here yesterday on the basic structure and guiding principles of the Action Agenda to remove trade and investment barriers in the Pacific Rim by 2020.

The draft blueprint, written on the first of a two-day brainstorming session, also listed the key elements and approaches which the 18-member Asia-Pacific Economic Cooperation group would take to achieve the free-trade goals set by their leaders in Bogor in November. The structure includes guidelines for trade facilitation and economic cooperation as well as a timetable and monitoring mechanism to review the progress of implementing the Bogor commitments, sources said. The framework was first devised by Japan and revised by the U.S.

With the basic structure of the blueprint in place, delegates said the next steps would be to "add flesh to the bones" with specifics such as target dates and work programmes. They expressed optimism that a comprehensive action plan, setting target dates in some areas, could be ready before the November summit in Osaka.

Yesterday's special meeting of the high-level officials—the second this year in a series of five scheduled by the Japanese government—also agreed that all APEC countries should start carrying out the free-trade timetable at the same time. Sources said this was expected to take effect after Osaka. There was also broad consensus to extend the liberalisation benefits within APEC to all countries without discrimination, except in certain goods where trading is greater among APEC members, said delegates.

Mr. Hidehiro Konno, a senior Japanese delegate, summing up yesterday's talks, said: "Everyone is very forthcoming, constructive, innovative, and positive. I am very much impressed."

Delegates said that during the earlier discussion on the approach to liberalising trade, the industrialised and developing countries were split on a so-called "concerted unilateral approach," which had received wide support at the first meeting in Fukuoka in February. Under this approach, each APEC country would liberalise according to its own action plan and at its own pace. Some developed countries, including the U.S., Canada, and Australia, made it clear yesterday that concerted action should not be the only approach. They favour a World Trade Organisation-style negotiation. The U.S. is also pushing for "economy-specific measures," which means

fixed targets and comprehensive coverage "where everything is on the table," said sources.

Developing countries said that, given the different levels of economic development among APEC members, the concerted voluntary action would be more acceptable. But they agreed that there should be some guidelines to ensure "balance of interests."

"Otherwise, countries will do what they please and reduce tariffs for items such as charcoal and snowballs [as published]," said one Asian delegate.

Sources said China and Malaysia were among those who opposed a fixed free-trade timetable, preferring a step-by-step, non-binding approach. In areas where measures could be applied APEC-wide—such as common customs procedures, standards, intellectual property rights and government procurement—the senior officials agreed that these could be implemented collectively. Sources said yesterday's meeting reaffirmed the leaders' commitment to achieve zero tariffs by 2010 for developed nations and 2020 for developing countries.

APEC Informal Meeting Closes

OW1204151495 Tokyo KYODO in English 1425 GMT 12 Apr 95

[FBIS Transcribed Text] Singapore, April 12 KYODO—Members of the Asia-Pacific Economic Cooperation (APEC) forum generally support Japan's idea that their meetings in Osaka this November set guidelines for APEC trade liberalization and facilitation, and concrete measures will be tabled next year in Manila, APEC sources said Wednesday [12 April]. APEC senior officials ended a two-day informal meeting in Singapore on Wednesday to map out an action agenda, to be adopted at its annual ministers' and leaders' meetings in Osaka, for the 18-member grouping to achieve its goal of free trade and investment in the region by the year 2020.

Most APEC senior officials felt that besides producing the general guidelines and principles, they should also boost the action agenda by producing so-called "down payments." These down payments include making a firm commitment to accelerate the pace of Uruguay Round trade liberalization and adoption of measures to harmonize customs procedures and standards in the region. They hope that by making these initial down payments, APEC will maintain its credibility in the eyes of the business sector, which is expecting to enjoy the fruits of APEC trade liberalization as soon as possible. However, APEC member economies will only submit their individual action plans on trade and investment liberalization when Manila hosts the next ministers' and leaders' meetings next year.

Japan, which is this year's APEC chairman, proposed these procedures in a one-page document on the structure of the action agenda to be adopted in Osaka, which was presented to APEC senior officials during the meeting in Singapore.

A copy of the document, which was obtained by KYODO NEWS SERVICE on Wednesday, said that liberalization and facilitation will be carried out on a "concerted unilateral approach." The document said that the general principles and specific guidelines must be agreed upon at Osaka while individual action plans, roughly up to the year 2000, should be submitted in Manila, by each member economy. Japan's proposal to set up a review mechanism to review the liberalization and facilitation process has also received widespread

support from member economies, official sources said. Even Australia, which has been pushing for a faster pace for APEC liberalization, is thinking along the same lines.

According to an Australian proposal made at the senior officials' meeting in Singapore, the Osaka meeting should agree on a common set of key guiding principles. The next step would be for every member economy to submit their individual action plans at the leaders' meeting in Manila in 1996, which would be finalized by November 1997.

Japan

Automakers on U.S. 'Softened Stance' on Parts

OW1404095795 Tokyo *YOMIURI SHIMBUN* in
Japanese 13 Apr 95 Morning Edition p 7

[FBIS Translated Text] Japan and the United States are engaged in overt and covert maneuverings over the Japanese automakers' purchase plans for foreign-made parts. In an attempt to gain tangible results, the United States expressed its "hope" for the augmentation of the purchase plans, but Japanese automakers and the Ministry of International Trade and Industry are wary of such a U.S. move because it may lead to "concern." The two countries are engaged in a hot battle even outside the venues of official negotiations.

U.S. Ambassador to Japan Walter Mondale has been actively involved in dealing with this issue. For example, he has been visiting the executives of various automakers since the end of March. The automakers had been nervous that Mondale might use threatening demands over the purchase plans, but he merely read harmless comments. As a major automaker said: "He was very careful with his words throughout the entire meeting."

Subsequently, a U.S. embassy minister in charge of commerce has also been visiting the automakers, but so far the Japanese side has not seen the U.S. "threat" they had been worrying about.

There are some criticisms in the United States against the government's direct negotiations with foreign private companies from both the legal and diplomatic standpoints. Japan has warned the United States—for instance, through the "1995 report" issued in end of March—that if the United States threatens or applies pressure, such action will constitute coercion, and will be a violation of the World Trade Organization rules.

Concerning the unexpected softened stance of the United States, there are those who claim that [the U.S. diplomats] seem to be just reading the government's instructions to show that they had indeed applying pressure to Japan," according to an automaker.

Government Approves Package To Halt Yen's Rise

OW1404021995 Tokyo *KYODO* in English 0136 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The Japanese Government approved an emergency economic package on Friday [14 April] morning to fight the soaring yen by various measures, including early implementation of a planned deregulation program, government officials said.

The Bank of Japan (BOJ) is expected to decide to slash its official discount rate by 0.75 percentage point to a historic low of 1.00 percent at its Policy Board meeting in the afternoon, BOJ sources said.

The new rate will be effective from the same day, the sources added.

The special package, approved at the day's meeting of cabinet ministers concerned with economic affairs, calls for implementation of the recently decided five-year deregulation measures two years earlier than planned, and a large-scale supplementary budget.

In order to facilitate such a budget, the package also requires issuance of deficit-covering bonds.

Another major step included in the package is the front-loading of the government's 10-year public works spending plans.

The package is to reflect the government's strong stance to halt the sharp rises of the yen against the U.S. dollar by both fiscal and financial steps, the officials said.

Prior to the cabinet decision, which came after overnight discussions on the package were closed, Prime Minister Tomiichi Murayama told reporters the package is "more or less" satisfactory.

He expects the package to be quick-acting to stop the soaring yen and the slumping stock market, Murayama added.

Chief Cabinet Secretary Kozo Igarashi showed his confidence, saying the contents of the package "can be said almost too abundant."

The package also includes wording that Japan is "strongly determined" to solve its huge current account surplus.

During the overnight discussions, the three ruling parties suggested including in the package a phrase that Japan will halve its current account surplus within five years.

But the government was reluctant to set a target, they added.

The sources said the government expects the special package will clear up concerns that Japan's economic recovery may break down due to the high yen and falling stock prices.

The government will draw up its plan for the supplementary budget called for by the economic measures and submit it to the Diet within May, the officials added.

Other steps in the measures include supporting small and medium-sized businesses, maintaining employment, returning import benefits of high yen, and making further efforts to narrow the price gap between domestic and overseas markets.

The package also calls for promoting yen-settlements in international business.

'Gist' of Package

OW1404024095 Tokyo *KYODO* in English 0157 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The following is a gist of a comprehensive economic

package to combat the yen's rise against the U.S. dollar, announced Friday [14 April] by the government.

- Early compilation of a first supplementary budget for fiscal 1995.
- Admitting issuance of deficit-covering government bonds for funding the package.
- Promoting basic public works projects to expand domestic demand.
- Advancement of the government's five-year deregulatory program by two years for implementation by the end of fiscal 1997.
- Promotion of imports, particularly of automobiles and housing.
- Appropriate measures for utility companies to pass the benefits of the strong yen to consumers.
- Coping with financial institutions to write off their nonperforming bad loans as early as within five years.
- Promotion of the yen as an international currency.
- Support for small and medium-sized businesses.

'Squabbling' Continues on Cutting Surplus

OW1404000995 Tokyo KYODO in English 0806 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Government leaders were squabbling down to the last minute Friday [14 April] morning on how to express their resolve to cut Japan's current account surplus in a package of measures to fight the soaring yen.

The government will vow to hasten its promised deregulation plan by two years, be ready to issue deficit-covering bonds to finance the package, and consider front-loading its 10-year public works spending plans, government sources said.

But the government's package was set to water down a ruling coalition version that vowed hours before to halve the surplus over five years and urged the Bank of Japan to cut its benchmark lending rate, said Koichi Kato, head of the Policy Affairs Research Council of the Liberal Democratic Party (LDP).

Four major newspapers and the nation's public broadcaster reported in the morning that the central bank would cut the key rate by 0.75 point later in the day.

"I think the authorities will give us an appropriate judgment" on cutting the central bank's official discount rate, already a record low 1.75

a year, Kato told reporters, but he indicated that the government would not formally press for a credit easing.

The final package, to be adopted at a morning cabinet meeting, marks the official stance of the Japanese Government and thus will not be as bold as the version agreed just hours before by the three coalition parties—the dominant LDP, the Social Democratic Party [of Japan] of Prime Minister Tomiichi Murayama and New Party Sakigake of Finance Minister Masayoshi Takemura.

Rather than the coalition version's clear target for cutting the current account surplus, a prime factor fueling the yen to its string of postwar highs, the government will only express its "strong resolve" to reduce the imbalance, the sources said.

Takemura is to explain the package and the possible rate cut to his U.S. counterpart, Treasury Secretary Robert Rubin, at a weekend meeting of Asia-Pacific Economic Cooperation forum finance ministers in Bali, Indonesia.

He is expected to call on Rubin for U.S. cooperation to curb the yen's rampage, which threatens to cripple Japan's nascent economic recovery.

The Japanese Government will vow in the package to consider front-loading the nation's 10-year, 630 trillion yen public works spending program, the sources said.

The plan was also to include steps to help small- and medium-sized companies hardest hit by the yen's historic rise, employment promotion measures, steps to pass along the benefits of the high yen to consumers and monitoring of the gap between overseas and domestic prices, they said.

Under the plan, the government is expected to submit to the Diet as early as next month a spending supplement to the budget for fiscal 1995, which began this month, and to be prepared to float deficit bonds—anathema to Finance Ministry bureaucrats—to pay for it, the sources said.

The spending is meant to boost domestic demand, and thus imports, to bolster the economy and chip away at the current account surplus.

It will accelerate the government's 1,091-item deregulation program, approved at the end of last month, from five years to three years, the sources said.

The coalition version expressed "hope for appropriate and flexible monetary policy" and spelled out "large-scale coordinated interventions" to curb the yen and prop up the dollar, but the leaders backpedaled from such a clear affront to the central bank's independence, the sources said.

Also among measures proposed by the ruling coalition parties are global reviews of international financial systems, the internationalization of the yen, stabilization of Japan's financial system and reviews of corporate taxes.

As one of the measures to revitalize the securities market, the ruling coalition called for a study on how securities transaction tax should be. [sentence as received]

The review of the tax is "a medium- and long-term challenge," Kato said.

Some steps should be worked out to check speculative deals of the yen in the case that the yen's value remains at an extraordinary high level for a certain period, the ruling coalition said.

Yen Package Elicits Various Reactions

Shinshinto: 'Lacks Substance'

*OW1404105595 Tokyo KYODO in English 1849 GMT
14 Apr 95*

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The government's latest package of measures to arrest the yen's appreciation lacks substance, an official of the opposition Shinshinto (New Frontier Party) said Friday [14 April].

Takenori Kanzaki, chairman of Shinshinto's Diet Affairs Committee, also told reporters that the Bank of Japan's decision to cut the official discount rate to 1 per annum came too late.

He said the economic policies of Prime Minister Tomiichi Murayama's government were devised by bureaucrats and were without resource.

Murayama Expresses Confidence

*OW1404025195 Tokyo KYODO in English 0212 GMT
14 Apr 95*

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Prime Minister Tomiichi Murayama on Friday [14 April] expressed confidence that a new government pump-priming package will draw favorable currency market reactions and contribute to halting the yen's steep surge.

"I believe this will have a favorable impact upon the markets," the premier told reporters at his official residence after his cabinet approved the package.

Murayama said the yen-curbing program is intended to open a new vista of the Japanese economy threatened by the yen's nonstop ascent against the U.S. dollar and other major world currencies through the significant cut of Japan's huge current account surplus.

"This is what the government and the ruling parties crafted together with full-throttle efforts...I'm pretty sure this will be effective" in countering the soaring yen and ensuring budding economic recovery, he said.

The emergency package vows efforts to considerably reduce Japan's mammoth current account surplus and calls for acceleration by two years of the government's five-year deregulation program, approved at the end of March.

Murayama also expressed hope the government and the ruling coalition will carry out the program in an active manner to reap its fruits sufficiently.

Meanwhile, Chief Cabinet Secretary Kozo Igarashi told a news conference that the new package is comprehensive and makes clear what Japan should do to trim its massive current account surplus over a short period.

Describing the yen's recent strength as "abnormally far from the real state of the economy," the top government spokesman also voiced his desire that the yen-dollar exchange rate will be rectified through smooth implementation of the measures included in the package.

Takemura: Utmost Efforts

*OW1404024795 Tokyo KYODO in English 0210 GMT
14 Apr 95*

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Finance Minister Masayoshi Takemura on Friday [14 April] showed his self-confidence in the completion of a "drastic" package to combat the yen's rapid surges.

Takemura said at a news conference after a regular cabinet meeting that the emergency economic package was the fruit of "the government's utmost efforts, showing our will to take more drastic action beyond the government's conventional reins."

Earlier the day, Prime Minister Tomiichi Murayama's cabinet endorsed the package, which watered down the ruling coalition parties' proposal of including a specific target to halve the surplus over a period of five years.

Takemura said the government should be cautious to declare specific figures as policy targets under free and market economy.

In the package, the government said it will reaffirm "a strong resolution to cut the nation's current account surplus more substantially."

Takemura stressed the government and the ruling coalition are basically in accord that the surplus reduction is the most important measure to counter the yen's appreciation.

In line with the package, the Finance Ministry will expedite compilation of a supplementary budget for fiscal 1995 to submit it to the current Diet session as early as possible during May, Takemura said.

On monetary policy, which the package did not mention, Takemura said the ministry's stance remains unchanged as shown in its short-term fiscal and monetary policy released late March.

Hashimoto: Reduce Trade Surplus

*OW1404032195 Tokyo KYODO in English 0315 GMT
14 Apr 95*

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The government's yen stabilization package released Friday [14 April] morning showed Prime Minister Tomiichi Murayama's administration ready to take action on reducing Japan's current account surplus, the trade minister said.

Ryutaro Hashimoto, minister of international trade and industry, said, "Political leaders chose to float deficit-covering bonds to fund the package. This shows the government has stood up for squeezing the surplus."

Hashimoto made the remark at a press conference after the cabinet meeting which officially approved the economic measures.

Concerning the front-loading of the five-year regulatory measures announced in late March, Hashimoto said, "That indicates the decision was made in an emergency situation."

Igarashi: 'Certainly' To Stabilize Yen

OW1404083295 Tokyo KYODO in English 0809 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The government's emergency economic package will certainly put a brake on the yen's unabated rise and will pull back the Japanese currency to appropriate levels, the top government spokesman said Friday [14 April].

"I am convinced the implementation of the yen-curbing economic package will guide the exchange rate levels in the right direction," Chief Cabinet Secretary Kozo Igarashi told a news conference.

He made the remark in response to a question about whether the package, approved by the cabinet of Prime Minister Tomiichi Murayama on Friday morning, will have a great impact on currency markets.

"The current exchange rates are not reflecting the real state of the economy at all and are at excessive levels, no matter how you look at them," Igarashi said.

He repeated his oft-stated contention that exchange rates will eventually go back to appropriate levels even if they show violent fluctuations from time to time, adding the government will steadily take the necessary steps to stabilize the yen.

Business Community Welcomes Package

OW1404041295 Tokyo KYODO in English 0350 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The business community is generally welcoming an economic package unveiled by the government Friday [14 April] to stem the yen's appreciation.

Shoichiro Toyoda, chairman of the powerful Federation of Economic Organizations (Keidanren), said the program is designed not only to counter the strong yen but deal with monetary problems and the stock market slump.

It is important for the government to resolutely tackle these problems with a bold approach, such as deficit-covering national bond issues.

Success depends on the faithful implementation of measures incorporated in the program, he said.

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), said although it

had been expected, the program will be effective in correcting the yen's value if it is carried out faithfully.

It is natural for the government to put into practice its five-year deregulation plan ahead of schedule, he said, adding that the government should take bold action in line with the principle of competition.

All economic regulations should be lifted in principle, he said.

Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai), said he expects the package will be effective in stemming the yen's further appreciation and revitalizing the stock market.

He said the government should take concrete measures to promote a structural change of the domestic economy to slash the foreign trade surplus.

The urgent task facing the government now is structural reform of the Japanese economy, he added.

Officials of major brokerage houses said the contents of the package had been expected but said it is better than nothing.

One securities company official expressed disappointment at the program, predicting stock prices will continue to weaken in the future because the market saw the package as insufficient.

Stock Market 'Not Impressed'

OW1404052795 Tokyo KYODO in English 0402 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The government worked through the night to issue a spending and deregulation package Friday [14 April] to curb the soaring yen and ease its economic effects, but financial markets were not impressed.

The "Emergency High-Yen Economic Policy," prepared by economic ministers and endorsed by the full cabinet in the morning, was expected to be followed by a cut in Japan's already record low official discount rate.

But as the package and rate cut had already largely been factored in by investors, Tokyo stocks lost ground in the morning after four straight gains and the dollar continued to waver in the 83 yen range, near where it rebounded from a record low 80.15 yen Monday when Prime Minister Tomiichi Murayama ordered the government to create the package.

The government overcame traditional bureaucratic opposition to promise deficit bonds to pay for supplementary spending in the package, which will front-load Japan's 10-year 630 trillion yen public works spending plan, hasten by two years the government's five-year deregulation plan and aid small and medium-size businesses hardest hit by the yen's surge.

But the government package waters down a call in the ruling coalition's version of the measures, issued just hours before the final decision, for a vow to halve Japan's current account surplus in five years.

Murayama told reporters the package is "more or less" satisfactory, predicting a quick effect to curb the high-flying yen.

But Finance Minister Masayoshi Takemura indicated at a separate news conference that the package is designed more to cope with the high yen than to halt it.

Nonetheless, Takemura said the package's vow of "strong determination" to greatly reduce the current account surplus is the best way to counter the surge by the yen, which has rocketed nearly 20 percent against the dollar this year alone.

The package is the fruit of "the government's utmost efforts, showing our will to be more drastic, beyond the government's conventional reins," Takemura said.

The government toned down the coalition request for surplus-cutting targets, said economic planning chief Masahiko Komura, to avoid the taint of "managed trade" and keep from violating the package's spirit of deregulation.

But political leaders' resolve to explicitly approve deficit financing—although it is usually "undesirable"—is warranted by the "emergency" that the high yen presents for Japan's economy, said Komura, director general of the Economic Planning Agency.

The government vows to compile quickly a supplement to the budget for fiscal 1995, which began this month, and several cabinet members predicted the supplement would be submitted to the Diet next month.

On the monetary front, the government erased earlier calls to pressure the Bank of Japan to adopt a "flexible" policy. The central bank quickly took the cue, calling a news conference to announce a 0.75 percentage point cut in the official discount rate to 1.00 percent a year.

Takemura touted the yen policy's explicit vow to pack the already planned five year's worth of 1,091 deregulation items into three years, and Komura said the move resulted from the "leadership of politicians."

The government promises its "efforts to bring down as much as possible" such charges as electricity and gas rates, "paying close attention to foreign exchange rate movements."

The higher yen slashes imported fuel costs, but the Ministry of International Trade and Industry (MITI) has remained negative on such fee cuts, saying rising crude oil prices have outweighed the yen benefits.

Komura quoted MITI Minister Ryutaro Hashimoto as agreeing that if the situation reverses, fees can be cut.

The package promises low-interest loans for smaller companies hurt by the yen's rise, employment subsidies and monitoring of the gap between overseas and domestic prices, which the high yen theoretically should help trim.

The government stopped short of a call by Hashimoto and investors to cut the nation's securities transaction tax, saying only it will study the idea as part of a review on securities taxation.

The package also promises exhibitions to promote auto and auto parts imports and model showrooms to promote imported housing materials, and says government-affiliated financial institutions will expand lending to promote such imports.

The government will consider expanding tax incentives for importing.

The package also calls for promoting yen-based settlements in international business to make the yen a more global currency, thus less vulnerable to foreign exchange market swings.

Bank Chief on Key Interest Rate Cut

OWI404060395 Tokyo KYODO in English 0538 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Bank of Japan [BOJ] Governor Yasuo Matsushita, announcing a 0.75 percentage point cut in the key interest rate to a new historic low of 1 percent per annum, said Friday [14 April] the decision was based on a thorough assessment of the country's economic conditions, including the foreign exchange market.

The central bank chief said in a press conference shortly after an extraordinary meeting of the bank's policy board that the recent soaring of the yen against the U.S. Dollar not only dampens corporate confidence and earnings but threatens to undermine the course of Japan's economic recovery, which got off to a slow start after nearly four years of recession.

"The key rate cut is expected to provide the bank's utmost support for the Japanese economy, to assure its fundamental trend toward recovery and sustained growth without inflation," Matsushita said.

The key rate cut was the eighth round of credit easing under the recent economic slump, following a similar reduction Sept. 21, 1993.

The BOJ's decision just followed the government's announcement earlier in the day of an emergency economic package to combat the yen's rapid appreciation.

"The yen's recent sharp surges have affected the economy, threatening to choke the recovering momentum," Matsushita said, "therefore, we took the additional monetary step."

Financial markets, however, are reacting calmly, with the dollar staying at around the mid-83 yen level and stock prices retreating after four straight gains since both the package and the 0.75 point key rate cut were already factored in by investors.

Masahiko Komura, director general of the Economic Planning Agency, welcomed the central bank's action, which coincided with the government's economic package designed to calm the yen's appreciation.

Komura told reporters he appreciated the fact that the Finance Ministry and the central bank simultaneously took their reluctant step of allowing deficit-covering bond issues and the key rate cut.

In response to a reporter's question as to why the bank's relief measures resulted in little change in exchange rates, Komura said the key rate cut and economic package had already been factored in by the foreign exchange and stock markets, and that the dual steps did not result in any dollar or stock selling.

His view was echoed by Finance Minister Masayoshi Takemura, who described the rate reduction as a "timely and appropriate step."

Takemura said the step will clear uncertainty about the nation's economic recovery.

Matsushita said the key rate cut which took effect Friday [14 April], together with the central bank's recent guidance to drive short-term money rates substantially lower, will have a positive impact on the economy and markets both initially and over a longer span of time.

He said the late March decision has already resulted in sharp drops of market interest rates on a broad front.

Yet the central bank has judged the extra monetary support necessary to avoid the risk of economic setbacks, considering the changes in economic outlook, including the stronger yen's effects, over the past two weeks, Matsushita said.

After the central bank officially announced the lead for lower money rates in an unusual move March 31, the dollar continued plunging until briefly hitting a global low of 80.15 yen from the 88-89 yen level of late March, and stock prices plunged as the key index last week slipped below 16,000 for the first time since November 1992.

Matsushita said the decision to cut the key rate was necessary and appropriate to clarify the central bank's economic judgment amid emerging concern over the economic outlook.

Given the present stable prices and sluggish asset values, there is no fear of the key rate cut to a new historic low level producing side effects similar to the asset inflation of the "bubble" economy years of the late 1980s, Matsushita said.

Matsushita noted, however, the need to pay close attention to economic developments.

"We will make an appropriate judgment as the case may be, once concern arises regarding prices," he said.

To help prop up the stumbling economic recovery from the side of the private sector, Matsushita called financial institutions for further efforts to reduce the burden of nonperforming loans.

Ryutaro Hashimoto, minister of international trade and industry, said the rate cut was "an adequate step appropriate to the current economic situation." He expressed hope that the rate reduction will promptly bring down interest rates on loans by financial institutions to help restore exchange rates to a level which reflects economic fundamentals, paving the way for a steady economic recovery.

Toshiyuki Nishiguchi, equity department head at Daiwa Securities Co., said he was disappointed by the small rate cut but added it was better than nothing.

Yumio Hiraiwa, a director at Nikko Securities Co., however, said he appreciated the central bank step as effective in avoiding a pause in the economic recovery.

He said the rate cut is expected to have a favorable impact on the economy soon, bringing up stock prices.

Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai), said he will maintain a close watch on the market impact of the measures.

He said it is important for the government to take resolute steps to promote structural reform of the domestic economy to curtail Japan's foreign trade surpluses.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, welcomed the government's economic package, coupled with the key interest rate cut by the central bank.

He expressed hope that the government will take measures to ease the impact of the record low interest rate on pensioners.

Takemura on Interest Rate Reduction

OWI404051795 Tokyo KYODO in English 0453 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Friday's record-setting interest rate cut by the Bank of Japan (BOJ) is a "timely and appropriate step" that clears uncertainty about the nation's economic recovery, Finance Minister Masayoshi Takemura said.

In a statement and brief news conference shortly after the central bank cut its benchmark official discount rate by 0.75 percentage points to a record low 1.00 percent a year, Takemura hailed the cut, which came just hours

after the government issued a package of measures to curb the soaring yen and ease its economic effects.

He declined to comment on the currency and stock markets' near complete lack of reaction to the fiscal and monetary moves.

Asked about the BOJ's two-stage credit easing—first pushing market rates down while denying the need for a discount rate cut, then finally cutting the rate, Takemura said the discount rate is "appropriate, this time."

The government eliminated from its yen-stabilization package a call, inserted hours earlier by the ruling coalition parties, for "flexible" BOJ policy, seen as code for a discount rate cut to boost the economy and curb the yen.

Takemura denied that the BOJ-pressuring statement was removed from the package to placate the central bank, asserting there was little discussion among the government over what the BOJ's response would be.

But the finance minister, who took the unusual step at the end of last month of publicly calling for BOJ flexibility, noted that the government "cannot be unrelated" to monetary policy, despite saying the timing of rate moves are up to the BOJ.

Takemura said he will explain the yen package and rate cut to U.S. Treasury Secretary Robert Rubin when they meet at a weekend conference in Indonesia and will seek Rubin's "understanding."

The two will exchange opinions on bilateral issues, Takemura said, but he would not comment on whether he would press Rubin for a U.S. interest rate hike or other coordinated measures to boost the dollar against the yen.

FY94 Trade Surplus Posts First Drop in 4 Years

OW1404105795 Tokyo KYODO in English 1759 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Japan's merchandise trade surplus in fiscal 1994 fell from the previous year for the first time in four years, down 3.2% to 117.98 billion dollars, while that with the United States posted a record high, the Finance Ministry said Friday [14 April].

On a customs-cleared basis, exports in fiscal 1994 ended March 31 rose 11.5% to 408.47 billion dollars and imports increased 18.9% to 290.49 billion dollars, both amounts hitting a record for one year, the ministry said in a preliminary report.

The politically sensitive trade surplus with the U.S. grew for the fourth running year, up 8.9% to 55.66 billion dollars.

A ministry official attributed the 3.2% yearly decline in the trade surplus to a sharp growth in cheaper imports amid the yen's continued appreciation against the dollar.

The nation's trade surplus has entered a downward trend, the official said, noting yearly declines of 9.3%, 1.5% and 5.0% respectively for the last three quarters of fiscal 1994.

The brisk U.S. economy has helped Japan's exports to the country steadily increase, which has resulted in the record trade surplus with the U.S., the official said.

The effects of the huge earthquake in western Japan on Jan. 17 proved to be not so great on external trade for the whole fiscal year, he said.

The official expressed his hope that steady implementation of the emergency economic package, announced earlier Friday, will help further reduce the trade surplus, although he added the outlook depends on foreign exchange developments and overseas economies.

In fiscal 1994, the dollar was quoted at an average 99.77 yen, down 8.4% from the 108.17 yen in fiscal 1993, according to the ministry.

Japan's trade surplus with Asian nations increased for the fifth straight year, up 13.9% to 63.68 billion dollars, while that with the European Union decreased for the second consecutive year, down 12.3% to 21.38 billion dollars.

By product, exports of electronics parts such as semiconductors increased 32.4%, and those of engines and auto parts rose 23% and 18.1%, respectively.

Exports of automobiles inched up 1.9%, although they fell 5.5% in volume terms to 4,632,627 cars.

Imports of electronics parts rose 37.3% and those of office equipment such as computers increased 36.2%.

Imports of clothing rose 21.5% and those of automobiles grew by 46.9%, up 52.1% in volume terms to 353,320 vehicles.

The ministry also reported that Japan's trade surplus in March inched down 0.4% from a year earlier to 13.84 billion dollars, posting a yearly fall for the first time in two months.

Exports grew 16.4% to 42.53 billion dollars and imports rose 26.7% to 28.69 billion dollars.

The March trade surplus with the U.S. rose for the fifth month in a row, up 2.8% to 5.08 billion dollars.

The surplus with the EU increased for the first time in four months, up 17.1% to 2.78 billion dollars, because Europe's economic recovery boosted Japanese exports, the official said.

Japan's surplus with Asian nations increased for the second straight month, up 21.3% to 7.89 billion dollars.

"The figures clearly show that Japan's trade surplus has stopped growing and is on a diminishing trend. This trend will become particularly notable in the trade

figures in yen terms in the future," Takeshi Minami, an economist at the Daiwa Institute of Research, said.

"The continuing growth of product imports is behind the decline in the March trade surplus," said Osamu Kaneko, an economist at the Hamagin Research Institute, who also predicted that the trade surplus is likely to shrink amid "continuation of strong imports."

He added, however, that because of the yen's rapid appreciation against the dollar, the value of exports on a dollar basis could rise temporarily.

The March figures underline strong growth in both imports from and exports to the Asian region, Nobuhiro Okuyama, general manager of the economist research department at the Mitsubishi Research Institute, said.

"It's apparent that the bulk of Japan's trade is shifting from the United States to Asian countries," he said. The yen's rise will make it increasingly difficult for Japanese companies to transfer costs onto their export prices, which will therefore work to curb the nation's exports, he said.

"We need to look at more figures in the future, but there will come a time when the trade surplus will shrink drastically," he said.

The reduced trade surplus will then help sap the yen's strength on the foreign exchange market, he said.

MOF To Issue Deficit-Covering National Bonds

OW1404084195 Tokyo KYODO in English 0820 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—The Ministry of Finance (MOF) has decided to issue hundreds of billions of yen worth of national bonds to raise funds for projects other than public works, ministry officials said Friday [14 April].

The bond issue will be incorporated in a supplementary budget for fiscal 1995 to be submitted to the Diet for approval by the end of May, the officials said.

The extra budget, expected to amount to some 1.6 trillion yen, is designed to promote imports and public works projects as well as reconstruction after earthquake damage in Kobe and adjacent areas, they said.

Funds will be earmarked also for consolidation of the infrastructure for research and development, and sophisticated information and telecommunication systems, they said.

The ministry will study all possible fund-raising measures, including tax hikes, as soon as possible, they said.

The ministry was forced to choose deficit-covering bonds without making a thorough study on fund-raising measures because of the government's decision to implement a package to cope with the strong yen, they said.

The officials said the extra budget will earmark hundreds of billions of yen for reconstruction in quake-damaged areas.

The ministry plans to increase construction bond issues to cover expenditures.

The government issued about 810 billion yen worth of national bonds under the second supplementary budget for fiscal 1994.

The government plans to draft another extra budget for fiscal 1995 this fall, the officials said.

Komura on Deficit Bonds in Fighting High Yen

OW1404023795 Tokyo KYODO in English 0140 GMT
14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Resorting to deficit-covering bonds to finance part of a government yen-curbing package is "meaningful," Japan's economic planning chief Masahiko Komura said Friday [14 April].

Political leaders chose to float the red-ink bonds in the just-approved measures because of a sense of "emergency," even though they dropped a ruling coalition parties call for current account surplus-cutting targets from the package, Komura told a regular news conference.

He expressed hope the recently record-breaking high yen would return toward "fundamentals" over time due to the package, but he declined to comment on the lack of yen-dollar movement in the immediate wake of the package announcement.

Speaking after economic cabinet ministers approved the package to try to curb the soaring yen, bolster the flagging stock market and support the economy, the Economic Planning Agency (EPA) director general said deficit bonds "are undesirable in normal times."

But the danger of the high yen to Japan's export-reliant economy demands the action, he said, stressing that politicians, not bureaucratic administrators, made the decision.

On the other hand, he said, the ministers chose only to express a "strong will to greatly reduce the current account surplus," scrapping the ruling coalition call for halving the surplus over five years, because of fears such a target "could be tied to managed trade."

The coalition call for a surplus-cutting "goal" came in all-night wrangling over the yen-curbing package ordered by Prime Minister Tomiichi Murayama, just hours before the government of the same three coalition parties backpedaled on the explicit goal.

Komura said the about-face did not represent a political snag with bureaucrats. The coalition draft included the target because "there were many people in the parties

who wanted them inserted," but the coalition parties accepted the government choice to scrap them, he said.

The government also vows in the package to accelerate by two years the five-year, 1,091-item deregulation measures approved at the end of last month.

Asked why the government was able to so quickly and drastically alter the deregulation package it had spent months hammering out, Komura's tense expression eased into a smile and he said, "Please praise us for that."

Murayama Meets Former U.S. Official Tom Foley

*OW1304142195 Tokyo ASAHI SHIMBUN in Japanese
13 Apr 95 Morning Edition p 7*

[FBIS Translated Text] Prime Minister Tomiichi Murayama met former speaker of the U.S. House of Representatives Tom Foley at his official residence on 12 April. At the talks, the prime minister referred to Japan-U.S. relations and said: "In addition to economic and security issues, it is important to cooperate in coming to grips with such global issues as environment, population, and AIDS."

In response, Mr. Foley said: "Since Japan and the United States are technologically advanced nations, the two can further contribute in such areas."

Kono To Meet Clinton, May Mention Atom Bomb Remarks

*OW1404031695 Tokyo KYODO in English 0246 GMT
14 Apr 95*

[FBIS Transcribed Text] Tokyo, April 14 KYODO-- Foreign Minister Yohei Kono may tell U.S. President Bill Clinton next week how the Japanese people feel about his remarks justifying the 1945 U.S. atomic bombings of Hiroshima and Nagasaki, government officials said Friday [14 April].

Kono suggested an intention to do so when he visits the United States beginning Monday, saying, "I would like to talk to him on an appropriate occasion," they said.

The remarks were made during the day's informal meeting of cabinet ministers after Transport Minister Shizuka Kamei asked Kono to convey the Japanese Government's stand on the issue to Clinton, to which many ministers agreed, the officials said.

Kamei said during the meeting that Clinton's remarks are regrettable in view of the feelings of the Japanese people, they said.

Defense Agency chief Tokuichiro Tamazawa also told reporters after the meeting that he feels regret about Clinton's remarks.

On April 7, when asked by a reporter whether the U.S. should apologize for dropping nuclear bombs on Japan

50 years ago, and whether then President Harry Truman acted correctly, Clinton said, "No, and based on the facts he had before him, yes."

A group of atomic bomb survivors and local residents in Hiroshima staged a sit-in Monday in protest against the remarks.

Kono and several other government officials have made it clear that Tokyo has no plans to protest the remarks while Prime Minister Tomiichi Murayama has expressed displeasure over them.

ROK's Kim on DPRK Nuclear Issue Resolution

*OW1404083695 Tokyo KYODO in English 0737 GMT
14 Apr 95*

[FBIS Transcribed Text] Tokyo, April 14 KYODO-- Former South Korean dissident leader Kim Tae-chung remained optimistic Friday [14 April] the North Korean nuclear issue will be resolved with Pyongyang accepting South Korean nuclear reactors since the future of the Kim Chong-il government depends upon it.

"North Korea knows that there is no other way but to accept South Korean-type reactors," Kim told the Foreign Correspondents Club of Japan but suggested the current round of U.S.-North Korea talks in Berlin should be resumed on a higher level.

Two days of expert-level talks were adjourned Thursday in Berlin with apparently little progress on overcoming North Korea's refusal to accept South Korean light-water nuclear reactors as part of a nuclear deal signed in Geneva last October.

On Friday, Kim suggested the architects of the original agreement, U.S. Ambassador-at-Large Robert Gallucci and North Korea's First Vice Foreign Minister Kang Sok-chu should meet again to overcome the impasse.

"Since Kim Chong-u (vice chairman of North Korea's External Economy Commission) has been handling (the negotiations) it has become serious," Kim Tae-chung said.

Kim said he did not see any difficulties for Kim Chong-il to succeed his father as North Korean leader but added Kim Chong-il must realize the improvement of North Korean living conditions or "he will not be able to maintain his government for a long time."

The former dissident leader said it has become important for North Korea to seek good relations with the United States, Japan and Western countries, and connected these improved relationships with the resolution of the reactor supply issues.

In his speech, Kim echoed his call for Japan to "have the courage to look at the past correctly" and repent for the pain inflicted on Korea during its 1910-1945 colonial rule over the peninsula.

Because Japan "exhibits negative reactions to any historical debate," Korean people have come to distrust Japan and neglect the positive achievements made by the Japanese, Kim said.

Koreans are unaware of Japan's democratic postwar history, its antiwar constitution, its substantial foreign economic aid to developing countries and the number of Japanese determined not to repeat the past.

He urged reflection on the part of both nations in order to create a new era of cooperation based on "mutual feelings of ease and comfort which emanate from the hearts of our two peoples."

Kim, head of the Kim Tae-chung Peace Foundation, is making his first visit to Japan in 22 years since his kidnapping from a Tokyo hotel in 1973.

Kim was kidnapped by a group of men Aug. 8, 1973, while in Tokyo promoting opposition to the authoritarian rule of then South Korean President Pak Chung-hi.

Kim, who retired from political life after his loss in the 1992 presidential election to opposition rival Kim Yong-sam, also said he has no plans to resume political activities.

Kim Tae-chung Discusses North-South Unification

OW1304145795 Tokyo ASAHI SHIMBUN in Japanese 13 Apr 95 Morning Edition p 3

[FBIS Translated Text] The ROK's Kim Tae-chung, 69, is currently on his first visit to Japan in 22 years after being kidnapped in 1973 from Tokyo. On 12 April, Kim gave an interview to ASAHI SHIMBUN at a Tokyo hotel. Concerning the unification of South and North Korea, he proposed a "three-stage program for the unification," under which the two Koreas would first form an alliance, then a federation, and then achieve complete unification in the last stage. He said: "Now that the Cold War has ended, there is no reason for the two Koreas to confront each other. Basically, I am optimistic about the South-North unification." However, he warned: "If we urge the DPRK to promote reforms, hard liners will come to the fore." He then stressed that "we need to tenaciously deal with them."

The Kim-proposed "three-stage program for unification" calls for the two Koreas to form an alliance in 10 years and to promote economic and cultural exchanges while maintaining their current political structures.

Kim said: "The North has an excellent and cheap work force. If it opens its door to foreign countries, its economy will certainly grow. But they do not need to hurriedly do so and we do not need to press them to do so." If the DPRK opens itself to other countries, a political upheaval may occur. Concerning this, Kim said: "In that case, we should support the DPRK so it will be able to endure the upheaval. If we fluster them, war may possibly break out."

Negotiations between the United States and the DPRK have had a rough going because Pyongyang has refused to accept "ROK-made" light water reactors. When asked about this, Kim noted the "need to make efforts to save the DPRK's honor" but added: "The current situation does not allow the settlement of the nuclear issue by merely offering reactors other than ROK models." In this way, he stressed that there was no room for compromise.

On the incident in which Kim himself was kidnapped from a Tokyo hotel in 1973, he disappointedly said: "Both ROK President Kim Yong-sam and Japanese Prime Minister Tomiichi Murayama pledged efforts to unearth the facts of the incident when they were in the opposition camp. They have now taken power, but still there has been no progress in the investigations of the incident." He noted: "I would like to someday learn the facts."

Kim Critical of Diet Members War Justification

OW1304144995 Tokyo ASAHI SHIMBUN in Japanese 13 Apr 95 Morning Edition p 3

[FBIS Translated Text] Kim Tae-chung, former leader of the ROK's Democratic Party, met Prime Minister Tomiichi Murayama at the prime minister's office on 12 April.

Commenting on the current Diet debate on Japan's "antiwar resolution," Kim criticized members of the Liberal Democratic Party and other conservative diet members who are trying to justify past Japanese aggression in Asia.

Kim said: "Some people say 'Japan did not fight with Asia,' but that must be judged by people in Asia."

Murayama expressed his intention to urge ruling and opposition parties to adopt the "antiwar resolution" to express Japan's regret for past aggression.

Touching on Japan-ROK discord over recognition of historical facts, Kim said: "The two nations must appropriately liquidate the past. I think it is a good idea that Japanese and South Korean scholars conduct joint historical studies on, for example, what [former Prime Minister] Hirofumi Ito did to Korea [in the 19th Century]."

In response to the proposal, Murayama said: "It is important to establish a common understanding of the history. Mutual misunderstanding should not be left as it is."

On resuming normalization talks between Japan and the DPRK (North Korea), Kim stressed the ROK's view, saying: "Resumption of the talks is desirable. The north should join the international community. However, the U.S.-North Korean and Japanese-North Korean talks should not be used to isolate the south."

Referring to his kidnapping in 1973, Kim said: "It is regrettable that the truth about the kidnapping has not

yet come out. That notwithstanding, I came to Japan to express my appreciation for the support of the Japanese people."

In reply, Murayama said: "The Japanese Government is still investigating the case, although it has been politically settled at the diplomatic level."

Later in the day, Kim met Shinshinto [New Frontier Party] head Toshiki Kaifu. On the issue of the "antiwar resolution," Kim stressed "the need for a correct recognition of the past and the present."

Police Launch New Raids on Aum Facilities 14 Apr

*OW1404020995 Tokyo KYODO in English 0131 GMT
14 Apr 95*

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Police began new raids Friday [14 April] on religious sect Aum Shinrikyo's facilities and possible hideouts across Japan as security was tightened in response to a prediction by the cult's leader of a "horrible" weekend development.

The nationwide police raids, covering more than 130 places in about 30 of the country's 47 prefectures, are designed to search for evidence of suspected murder plots and other charges and track down senior Aum members who have apparently gone underground, investigators said.

The religious group is suspected of having tried to illegally procure guns and other weapons as well as produce sarin, the lethal nerve gas used in the March 20 Tokyo subway attack.

Among the facilities involved in the searches are its complex in the village of Kamikuishiki, Yamanashi Prefecture, and its headquarters in Fujinomiya, Shizuoka Prefecture, both located near Mt. Fuji.

Police have gone on red alert in Tokyo in response to a "prophecy" by Aum founder Shoko Asahara that something horrible will happen in the capital Saturday.

Upon requests from the Tokyo Metropolitan Police Department (TMPD), transportation companies, including the Tokyo subway system, have strengthened their guard against possible incidents.

Initial raids on Aum facilities started two days after the Tokyo subway gas attack that killed 11 people and made more than 5,000 ill, some seriously.

As of Thursday, police had found a large amount of various chemicals as well as machines believed capable of producing guns.

Police have determined the sect has produced sarin by synthesizing some of the chemicals at its facilities in Kamikuishiki, investigative sources said.

The TMPD, explaining the reason for Friday's massive raids, said Aum is suspected of still hiding sarin and other toxic materials somewhere at its facilities.

Police are also searching Aum's branch in Matsumoto, Nagano Prefecture, central Japan, where a poisoning case using sarin occurred in June 1994.

Mobilizing some 30,000 officers, police conducted nationwide traffic checks in search of senior members of the religious sect Thursday.

Aum claims that police have so far arrested 117 sect members, of whom the names of 15 are still unknown. Police have released 13 people, it said.

On Wednesday, the National Police Agency directed officials from police offices throughout the country to further investigate the religious sect.

Further on Nationwide Probe *OW1404034495 Tokyo JNN Television Network in Japanese 0230 GMT 14 Apr 95*

[FBIS Translated Text] The investigations conducted [on Aum Shinrikyo's facilities] today are the largest ever, covering more than 120 places in 25 prefectures across the country.

It can be said that the investigations are a sort of preemptive attack by investigative authorities. Some Aum Shinrikyo followers living in the sect's facilities, who had not been heard from, were noted to have begun phoning their family members a couple of days ago, warning them to be careful on 15 April, the date named by cult leader Asahara in one of his predictions.

The police hence have decided that 15 April would be some kind of important day, and began the country-wide investigations on the suspicion of plotting murder one day before that.

Another goal of today's investigations is to locate Tsuyoshi Matsumoto, who is wanted by police for suspected involvement in the abduction of Kiyoshi Kariya, the head of a notary public office. Since Matsumoto's fingerprints were verified in Ishigawa Prefecture, the police authorities want to find out if he has used any of the sect's nationwide facilities. The police are hoping to determine the whereabouts of the victim, Kariya, as well.

NHK Provides Further Information *OW1404055095*

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0300 GMT on 14 April broadcasts a 10-minute announcer-read report over video on the police search of about 130 facilities of Aum Shinrikyo.

The announcer begins by saying the Tokyo Metropolitan Police Department and 24 local police headquarters across the nation began searching about 130 facilities of

Aum Shinrikyo this morning, which is suspected of manufacturing sarin in Kamikuishiki Village, Yamanashi Prefecture.

He says: "The police are increasingly suspicious that the religious cult is manufacturing the sarin at a chemical plant in the 7th Satian located in Kamikuishiki Village, Yamanashi Prefecture, but the whereabouts of many of the cult leaders and members of the chemical group are unknown."

After reporting on children who have been rescued by the police in the 7th Satian, unidentified NHK correspondents begin reporting from Kamikuishiki Village, Tokyo, Sendai and other areas.

An unidentified NHK correspondent, reporting from Kamikuishiki Village, says the police began their search of the cult's facilities at 0700 [2200 GMT], and their search is still continuing. The NHK correspondent reports in detail how the police are searching the facilities, but gives no report on discovery of chemical materials.

An unidentified NHK correspondent reporting from Tokyo says the police began searching the Aum Shinrikyo Headquarters in Tokyo and adds that nearly 100 policemen are inside the headquarters building, searching for evidence linking the cult to the sarin nerve gas attack on Tokyo subways and arresting the cult leaders at large. The NHK correspondent notes that the Aum Shinrikyo Headquarters has played a key role in cult activities, and says the Tokyo Metropolitan Police Department has kept close surveillance over people coming and going from the headquarters building.

An unidentified NHK correspondent, reporting from in front of the building of the Aum Shinrikyo Sendai chapter, says six hours have passed since the police began searching facilities of the religious sect and the search is still continuing. The NHK correspondent describes how the police are searching the facilities, but reports no discoveries.

An unidentified NHK correspondent reporting from Shizuoka says 400 policemen began searching facilities of the Fujisan General Headquarters in Fujinomia City, Shizuoka Prefecture at 0730 [2230 GMT], and that the police are searching the cult facilities on suspicion of plotting mass murder. The NHK correspondent says the police are concentrating their search on the discovery of chemicals. An unidentified NHK correspondent reporting from Osaka says the police are searching four facilities of the secretive religious sect, adding that 110 police officers are involved in the search.

Aum Children Taken Into Custody

OW1404062895 Tokyo KYODO in English 0602 GMT
14 Apr 95

[FBIS Transcribed Text] Kamikuishiki, Japan, April 14
KYODO—Police took 53 children, apparently of followers of the religious cult Aum Shinrikyo, into protective custody during massive new raids Friday [14 April] on the sect's facilities.

The children, including some who appeared to be no more than two years old, were found in one of the buildings in the cult's main compound in Kamikuishiki, a village at the foot of Mt. Fuji, and were immediately taken by police to a public facility, police said.

A number of children are believed to have been living in the building with their parents.

When a police officer carried a small girl in white clothes out of the building, a woman cried out of a window, "that's my child. Don't take her away."

The Friday action was part of new nationwide police raids on the facilities and possible hideouts of the cult, as security was tightened in response to a prediction by the cult's leader of a "horrible" weekend development.

The police raids, covering more than 130 places in about 30 of Japan's 47 prefectures, are to search for evidence of suspected murder plots, illegal confinement of former followers, and the production of guns and sarin, the same type of the deadly nerve gas as the one used in the March 20 attack on Tokyo subways, investigators said.

They said police also want to track down senior Aum members who have apparently gone into hiding.

Among the facilities being searched are Aum's complex in Kamikuishiki, Yamanashi Prefecture, and its headquarters in Fujinomiya, Shizuoka Prefecture, both near Mt. Fuji.

Meanwhile, police have gone on red alert in Tokyo in response to a "prophecy" by Aum founder Shoko Asahara that something terrible will happen in the capital Saturday.

Upon requests from Tokyo police, transport companies, including the Tokyo subway system, have strengthened their guard against possible incidents.

Meanwhile, members of the sect protested angrily, but did not offer any violent resistance, when police arrived Friday to search Aum's Tokyo head office.

On the same day, in Kumamoto Prefecture, southern Japan, police confiscated a huge amount of chemicals from the sect's facilities in Hatano.

In Shiga Prefecture, western Japan, an Aum follower who had been arrested on suspicion of obstructing police duties said he had been told by senior Aum members to flee with important documents, local police said Friday.

The documents found in the man's car included part of a plan of one of the facilities in the cult's Kamikuishiki compound which is suspected to have been a sarin production plant, they said.

Police are also searching Aum's branch in Matsumoto, Nagano Prefecture, central Japan, where a poisoning case using sarin occurred in June 1994.

Explaining the reason for Friday's massive raids, Tokyo police said Aum is suspected of still hiding sarin and other toxic materials somewhere among its facilities.

Mobilizing some 30,000 officers, police conducted nationwide traffic checks Thursday in search of senior members of the sect.

Aum claims that police have so far arrested 117 sect members, of whom the names of 15 are still unknown. Police have released 13 people, it said.

On Wednesday, the National Police Agency directed officials from police departments throughout the country to further investigate the religious sect.

Initial raids on Aum facilities started two days after the Tokyo subway gas attack that killed 11 people and made more than 5,000 ill, some seriously.

The sect's spokesman Fumihiro Joyu has criticized the raids, telling reporters Friday that police are trying to destroy the sect.

Gun-Making Diagrams Found

OW1304142295 Tokyo KYODO in English 1403 GMT
13 Apr 95

[FBIS Transcribed Text] Tokyo, April 13 KYODO—Police in Osaka said Thursday [13 April] they found detailed diagrams on how to manufacture guns along with six modified gun replicas following Wednesday's raid on the premises of a former gang member who is now a member of the religious cult Aum Shinrikyo.

Police said the plans were found with a retooled gun, a replica of a derringer model from the United States, along with five partially retooled gun replicas in the office of Shinichi Hatano, 45, a former member of a gang affiliated with the nationwide Yamaguchi-gumi gang.

The doomsday cult has been the target of nationwide police raids since two days after the deadly sarin gas attack on the Tokyo subways that killed 11 people and made some 5,500 others ill on March 20.

Police suspect the cult's members of plotting murder and say they have found byproducts of sarin in the sect's facilities at Kamikushiki in Yamanashi Prefecture.

Hatano was arrested on suspicion of driving a car without a license when he left his house in a car just as police officers arrived for the raid.

Police said they suspect Hatano was using his experience as a worker at a foundry to retool model guns into usable weapons.

They said they are trying to trace the origin of the diagrams and determine a possible link to the cult. Police said they suspect a machine used to modify the guns may be kept elsewhere.

Meanwhile, the Tokyo high court decided Thursday to authorize the questioning of all persons entering the central Tokyo court building on Friday and Monday.

The building also houses the Tokyo District Court and is close to the exits to the Kasumigaseki subway station which was allegedly targeted in the sarin attack.

Tokyo police have said they will go on red alert in Tokyo this weekend in response to a "prophecy" by the sect's founder Shoko Asahara that something horrible will happen in the capital on Saturday.

Also Thursday, the Education Ministry advised all national and private hospitals affiliated with universities to ensure they have adequate stocks of sarin antidote and to inform all staff of emergency treatment methods for the deadly gas.

Elsewhere, a group of family members of followers of the cult lodged a written appeal with Home Affairs Minister Hiromu Nonaka, who also serves as chairman of the National Public Safety Commission which supervises police, stating that they fear a mass suicide among cult members.

The appeal urged Nonaka to ensure that their family members are safely rescued from the sect.

The petition bore the signatures of 1,100 family members and their supporters.

At the meeting, the mother of a cult member said she does not know if her son is dead or alive since he joined the cult seven years ago.

Police Analyze Anonymous Sarin 'Document'

OW1204141795 Tokyo YOMIURI SHIMBUN in
Japanese 5 Apr 95 Evening Edition p 15

[FBIS Translated Text] As a result of investigations to date into an incident in which sarin nerve gas was used in Matsumoto City, Nagano Prefecture, authorities are almost certain the gas was placed not only in a man's garden, but also at a nearby dormitory for district court judges of the Matsumoto branch of Nagano District Court.

As leaves on trees near the judges' dormitory were badly withered, police suspect sarin gas was placed within the premises of the dormitory. Police are carefully analyzing a document entitled "A Study of the Gas Poisoning Incident in Matsumoto"—which was sent last September to some media outlets—because it stated sarin could have been planted at more than one site in Matsumoto and because it also contained expressions that may have hinted at the March 20 Tokyo subway attack.

Investigating the case in Matsumoto, police had believed that sarin fumes originated in the garden and were dispersed throughout the neighborhood by the wind. However, police later found leaves on trees in the judges'

dormitory compound—approximately 30 meters west of the garden—were extensively damaged. As a result, police now suspect that sarin was planted within the dormitory compound because it seems unlikely that such severe damage to the trees in the compound could have been caused by wind-blown sarin fumes.

Police have concluded that only a high concentration of sarin could damage the trees so severely.

Judges in the Matsumoto branch of Nagano District Court were presiding over a civil suit filed against religious group "Aum Shinrikyo" involving a real estate problem when the sarin incident occurred. They were staying in the dormitory at the time, and some of them had to be taken to hospital. As a result, a ruling in the case was postponed.

What is now drawing the attention of investigating authorities is the document titled "A Study of The Gas Poisoning Incident in Matsumoto." The 10-page document, which also has a one-page postscript, was posted to some mass media between last September and last January.

The document described ways to produce sarin. For example, the document stated sarin could be dissolved in an organic solution to keep it from vaporizing quickly, or kept in dry ice. It also stated that a "white mist" seen in the Matsumoto poisoning incident was "caused by such an organic solution or dry ice."

It also stated "sarin could have been planted at more than one site," thus hinting that sarin was released in several places. The document then noted: "If the sarin were kept in dry ice, it could be left anywhere and allow criminals time to escape."

Police believe packages containing pre-produced sarin were placed because they found no evidence of the apparatus needed to synthesize the nerve gas. The document pointed out several factors that match circumstances surrounding the sarin attacks in Matsumoto. One sentence, in particular, reads: "If sarin were to be released in packed subways, there would be a catastrophe." This was a clear warning of the possibility sarin could be used in such airtight spaces as subways.

YOMIURI SHIMBUN reported on the document after the subway attack, prompting the writer, who had signed the document using only initials, to send a fax to the newspaper claiming: "What is written in the document is no more than my conjecture. I deeply regret your report gave impression that I had something to do with the incidents."

Police, however, assume the writer has extensive scientific knowledge and are trying to deduce why the document was produced and sent out.

As the document also referred to "Tokyo Dome" and other large concert halls as "airtight" places in which similar catastrophes might take place, police are taking every precaution at such venues.

DA To Create Office for Trust Building by Jul
OW1304141495 Tokyo MAINICHI SHIMBUN in Japanese 9 Apr 95 Morning Edition p 2

[FBIS Translated Text] The Defense Agency [DA] will create a "Planning Office for Trust Building and Arms Control" by July. Its purpose is "to build stable trust relations through active exchanges of views on defense issues" as a way of ensuring multilateral security in the post-Cold War Asia and Pacific region," a senior DA official said. Funds for operating the office have already been secured in this year's budget. A deputy vice minister post will be created to lead the office.

The Defense Agency, in its defense policy for the post-Cold War era, defines trust building and controlling arms through direct dialogue with defense-related officials of other countries as an important task. The agency insists the DPRK's nuclear arms issue, the PRC's arms modernization programs, and the Russian troops' presence in the Far East are particularly "destabilizing factors" in the Northeast Asian area. In a report issued last August, the "Defense Issue Consultation Group" asserted: "By holding talks with these countries, the security environment in Asia and the Pacific will be improved, and the sense of security will grow among the countries in the region."

According to a DA official, The DA recognizes that the "improvement of security relationships [anzen hoshō kankei] is important to building trust among the countries of the region." From this recognition, the agency has actively sought to promote exchanges with other countries since last fall. In November, Naoaki Murata, director of the agency's Defense Policy Bureau, made his first visit to Russia, and then in December, hosted a "seminar of Asian and Pacific countries' security" with uniformed officers of Russia and China attending. In February this year, Tetsuya Nishimoto, Joint Staff Command chairman, made his first visit to China as Japan's highest-ranking military officer. Furthermore, DA Director General Tokuichiro Tamazawa is considering making his first visit to Russia as defense chief, and has also extended an invitation to PRC Defense Minister Chi Haotian to visit Japan.

The newly-created Planning Office, which will be an administrative office controlling arenas of dialogue with other countries, will be placed under the Defense Policy Division of the DA Defense Policy Bureau. Specifically, the office will coordinate activities for exchanging views on policy matters such as international meetings of defense officials, academic exchanges such as seminars, and attending international arms control conferences.

In this year's budget, the DA has appropriated about 100 million yen in expenses to fund projects concerning security dialogue promotion, and this money will be assigned to this office. This amount is 1.5 times the amount allocated for the same purpose last year.

*** Former Minister on LDP Tokyo Election Funds**
952B0149A Tokyo *SHUKAN BUNSHUN* in Japanese
23 Mar 95 pp 54-58

[Article by former Construction Minister Yuji Otsuka; passages in italics are *SHUKAN BUNSHAN* comments]

[FBIS Translated Text] *We have obtained an accusatory statement entitled "Political Reform for the Metropolitan Federation," which was sent to key officers at the Liberal Democratic Party's [LDP's] Tokyo Metropolitan Federation by former Construction Minister Yuji Otsuka. The statement revealed in detail such realities as secret entertainment expenses that had been concealed by the federation. When we showed him this statement, former Construction Minister Otsuka began to speak reluctantly.*

Yuji Otsuka, the former construction minister (65). He was elected as a member of the House of Representatives for the first time from the first district of Tokyo in 1976. Since then, he has been elected six times. After having served as parliamentary vice minister of the National Land Agency, chief of the LDP's Research Bureau, and so on, he became construction minister in the second Kaifu cabinet in 1990. He is also a specialist in city planning and housing issues. He was defeated in an election in 1993. At the end of last year, he left the LDP and joined the New Frontier Party [NFP].

It was the LDP's Tokyo Metropolitan Federation that was a driving force for Governor Toshikazu Suzuki to be reelected for his fourth term in the Tokyo gubernatorial election four years ago. But, what happened as a result? Governor Suzuki, who was supposed to rebuild the deficit-ridden finances created under the governorship of Minobe, is now leaving the Tokyo Metropolitan Government office with a deficit of more than 100 billion yen.

As I see this failure in political administration, I feel ever more strongly that Governor Suzuki should have stepped down the last time. Responsibility lies with the LDP's Metropolitan Federation that supported Governor Suzuki. But, instead of considering this responsibility sincerely, executive members of the Metropolitan Federation have decided to support former Deputy Chief Cabinet Secretary Nobuo Ishihara, who was "recommended as a successor" by Governor Suzuki.

"On 25 February, Mr. Ishihara had a meeting at a hotel in Tokyo with LDP Deputy Secretary General Shigeru Kasuya, Education Minister Kaoru Yosano, and the Metropolitan Federation's Director Nobuyuki Akiba" (per the 27 February edition of *ASAHI SHIMBUN*).

As above, the newspaper reported on the setting in which Mr. Ishihara made a decision to run for election. But the current chairman of the Metropolitan Federation is Mr. Michio Ochi. Then, why did the Metropolitan Federation send Mr. Kasuya, who had already retired to the position of executive adviser at the Metropolitan Federation, and Director Akiba, who was simply in charge of administrative affairs?

I think the answer has very much to do with the "Federation's shameful side," which has been guarded as a secret. I can't help thinking that something completely opposite to political reform is happening behind the scenes of the gubernatorial election.

As I said in "Political Reform for the Metropolitan Federation," accounting at the federation as I saw it during my days as the federation's general secretary deserves the blame for sloppiness.

According to the established custom at the Metropolitan Federation, accounting has been off limits, except for the chairman and secretary general. Although a person in charge of accounting is designated, he rubber-stamps statements of revenues and expenses; he has no authority whatsoever. Diet members affiliated with the Metropolitan Federation also simply listen to reports read at a convention; they have no way of knowing the details.

90 Million Yen Owed to the Party's Headquarters

In 1989, when Mr. Hyosuke Kujiraoka (vice chairman of the House of Representatives, currently a nonpartisan), who had served as [the federation's] chairman for many years, retired to an executive adviser's position, Mr. Kasuya became chairman, Mr. Yasushi Nakamura (who was defeated in the last election) the secretary general, and I became the chairman of the Policy Affairs Research Committee. Even though I was one of the three top executives, I was a complete outsider in the area of accounting.

In February 1990 when Mr. Nakamura was defeated in the general election, I succeeded to the secretary general's post. As a result, I became in charge of the Metropolitan Federation's accounting practices, which I had never been allowed to observe up until that time.

I finally realized in a month or two: "Vouchers are almost nonexistent in accounting at the Metropolitan Federation, and the account books are like those for an old-fashioned accounting system and household accounting."

The account books summarize daily flows of money. They are reviewed and rubber-stamped by Diet members once a month. Other than that, they are left entirely to the executive office.

But, most revenue comes from laborious collections of 4,000 yen per person by party members, who may have to put up with unwilling donors. It is quite irresponsible to have only a vague idea of how these precious party funds are being spent. So, I decided to streamline the accounting system, following the party headquarters' example.

It is so shameful, but the Metropolitan Federation didn't even have a system of circulating *ringi* [internal approval] documents at that time.

I thought it urgent to revamp the Metropolitan Federation's accounting system. So, one day, I asked Director Akiba to explain the history of the accounting practices.

He told me then about a debt in the amount of 90 million yen to the party headquarters. Also, until the debt is paid off, the monthly subsidy in the amount of 6.5 million yen from headquarters has been reduced to 4.5 million yen, partly to pay for interest on the debt.

"Why do we keep the debt? Since we have about 200 million yen in our bank accounts, why not pay off the debt now?"

As I further inquired of Director Akiba, I found that, about 1985 during the tenure of Chairman Kujiraoka and Director Kasuya, the director before Mr. Akiba used the Metropolitan Federation's money for gambling and created a shortage in accounts. To replenish the shortage, the Metropolitan Federation borrowed money from the party headquarters. This is the "federation's shameful side," disclosed for the first time.

In January 1985 this scandal was reported in part that former Director H had been pouring a huge amount of money into gambling, such as on horse races. The then Chairman Kujiraoka commented by saying, "Our director has never spent the party's money freely." Soon, Director H was requested to retire, and left the Metropolitan Federation's executive office. Mr. Akiba succeeded him as director.

"Shocked by the disclosure of the scandal, Mr. Kujiraoka and Mr. Kasuya went about frantically and replenished the shortage after consultation with the then Prime Minister Nakasone and Secretary General Kanemaru" (per a Diet member affiliated with the Metropolitan Federation).

Furthermore, according to Director Akiba, the shortage was large, in the amount of 300 million yen. The Metropolitan Federation tried to conceal this fact and borrowed money from the party headquarters to fill the shortage.

All this was disclosed later at an executive meeting of the LDP. It was around the time when former Vice President Shin Kanemaru was arrested on the charge of tax evasion, and an extension of his detention was reported in news media. So, it was in late March 1993.

At the executive meeting, Mr. Kujiraoka, vice chairman of the executive committee, said something like the following:

"I live not too far from the Tokyo prison in Kosuga, and I can't sleep very well these days. Thinking about how Mr. Kanemaru may be doing, I just can't sleep soundly. But, aside from that, we must definitely carry out political reform, that's a must."

To this speech, Mr. Koichi Hamada lashed out and said, "Mr. Kujiraoka, you always say something too pretentious. Look, who received 500 million yen when the Metropolitan Federation had money problems? Don't ever talk pretentiously!"

Mr. Kujiraoka couldn't say a word in response. Looking at Mr. Kujiraoka's countenance at that time, I felt very disappointed.

Mr. Hamada said "500 million yen," and what I had been told was 300 million yen. I don't know which figure is right, but in any event the accounting system was so sloppy that this kind of scandal was bound to happen.

It is not my purpose to take up this issue right now. The real issue is how the matter was resolved, and I need to ask whether it is right to conceal all this from party members with no explanation.

Because the matter was kept secret at that time, the accounting system has never been thoroughly corrected, I think.

Kept 20 Million Yen in Custody in My Savings Account

For example, the Metropolitan Federation's accounting reports for 1990 and 1991 were revised later, and there were discrepancies in the balances carried forward. Also, accounting reports that were different from those presented at general meetings were filed with the Election Administration Commission. It is the height of sloppiness, indeed.

According to a person affiliated with the Metropolitan Federation, the Metropolitan Federation's accounting reports for 1990 and 1991 contain the following ambiguities: 1) Sources and uses of funds are different between the reports presented at the general meetings and those filed with the Election Administration Commission. 2) Of the balance carried forward from 1990 to 1991, 3 million yen was not reported to the Election Administration Committee, and the whereabouts of this amount is unknown.

The end of the year 1990 was approaching, and as secretary general I negotiated with various people and had several meetings with Komeito on whether we were going to aim for the "fourth term reelection of Suzuki."

In October that year, something like this happened: One day, out of the blue, Director Akiba asked me, "Secretary general, would you keep this money in custody?"

When I asked what the money was for, he said, "Well, I'm sure you'll need some money for negotiations to look after the gubernatorial election."

"I don't think I need it, but on the other hand, I may need it. But, why?"

According to Director Akiba, he also let Chairman Kasuya spend money necessary for his various activities. So, he offered me some also.

In other words, he offered me "secret funds" to negotiate for a candidate for the rough-going gubernatorial election. He said Chairman Kasuya was doing likewise.

At first, I refused by saying, "I don't know how to write an expense report for that. It is troublesome, so I don't want it."

If I received the money, I would be acknowledging the existence of such secret funds. In the end, however, Director Akiba prevailed, and I deposited 20 million yen in a savings account under my name. I still regret very much that I did so.

On 27 October, we reserved rooms at Akasaka Prince Hotel to have a final discussion with Komeito on campaigning for Suzuki. We arranged for dinner, but members of Komeito didn't show up.

So, I said, "Mr. Kasuya, we won't be able to go on with Mr. Suzuki. What shall we do?

Chairman Kasuya said, "You may be right, Yu-chan [Yuji Otsuka]. Between you and me, shall we decide to drop Suzuki?"

"Yes, let's do that. We'll find a better candidate in January (next year)," said I, and parted with Chairman Kasuya that day.

The following day, 28 December, was the closing of government offices for the year.

Then, on 29 December, I became a cabinet member as construction minister in the second Kaifu cabinet. From then on, things changed.

When the new year arrived, Chairman Kasuya began to give me the cold shoulder, as if his personality changed completely.

I found out later that the following rumor had been circulated from within the Metropolitan Federation:

"Why, Otsuka, the first-time cabinet member, was appointed construction minister. Ozawa (Ichiro, the then secretary general) wanted to get rid of Suzuki, so he gave the post to Otsuka to take him into his side."

It's amazing, but it was jealousy between politicians.

Needless to say, the reason why I was appointed as a cabinet member had nothing to do with such a scheme to "get rid of Suzuki."

It was the last personnel decision made by Mr. Shintaro Abe. Mr. Abe had been recommending me to the post of transport minister, saying, "For various reasons, Mr. Otsuka has become the last one among his contemporaries in the Abe faction to become a cabinet member. So, I need to get a good post for him."

So I heard. Therefore, when I was "summoned" by the prime minister's office, I got in a car, thinking that I would be appointed as transport minister.

But, when the car approached Akasaka, I received a phone call from Mr. Kosuke Ito (a member of the House of Representatives), who was at Mr. Abe's office. He said, "You'll be construction minister," and that the

prime minister's office just called Mr. Abe for his approval for the decision. In other words, my post changed on my way to the prime minister's office.

The relationship between Chairman Kasuya and myself turned awkward.

I was certainly planning to ask Governor Suzuki to give up on his fourth term. As a specialist in city planning, I had been quite skeptical of Governor Suzuki's decision to relocate the Tokyo Metropolitan Government Office and his waterfront plan. From the viewpoint of city planning and housing policies, I was convinced that such building plans would reach the limits because of excess supply, and that Mr. Suzuki's remaining years would be tarnished.

Around that time, Mr. Nobuo Ishihara, who was the deputy chief cabinet secretary, came to my ministerial office and said, "Minister, please help me make Mr. Suzuki resign. I can't tell him anything, because he used to be my boss at the Ministry of Home Affairs."

"1 Billion Yen From the Party Headquarters"

I had a private meeting with Governor Suzuki at Keio Plaza Hotel, and urged him to change his mind.

I told him that he had been making efforts to rebuild the finances, and that if he continued to strain himself, he might end up leaving the office with a deficit.

But, Governor Suzuki said repeatedly, "It's too late."

Mr. Kasuya began pressing to support Suzuki. I attended an executive meeting of the Metropolitan Federation, and said, "In the past, the party headquarters pitched in 1 billion yen for a gubernatorial election. We cannot conduct our election campaign independently from our party headquarters.

"But, if we still want to do so, we must not expect any support from our party headquarters."

Then, I added 10 million yen of my own money to 20 million yen that had been received from Director Akiba to keep in my custody, and put the whole amount in the Metropolitan Federation's account, saying, "Let's do it with this money."

But, in the end, the Suzuki camp won in the divisive gubernatorial election. Secretary General Ozawa resigned immediately to take responsibility. But then Chairman Kasuya and his followers began to retaliate against the "Isomura faction."

Naturally, the Isomura camp should have been credited with reason, because it supported the party's official candidate. The Suzuki camp breached party discipline, but it labeled Mr. Isomura's supporters as villains and deprived them of privileges, as if to say that might makes right, and losers are always in the wrong.

In November 1993, a news report on me—I was out of office due to a defeat in the last election—was suddenly

published: "An Illegal Contribution of 3 Million Yen From Shimizu Construction." But, it was a skewed report on a legitimate political contribution. Because of this report, however, the National Tax Administration Agency conducted an audit in December.

But, in the beginning of February in the following year, when the audit was still in progress, I received a phone call from Mr. Kasuya after a long absence.

He said, "Is that you, Yu-chan? Are you doing fine?"

"Yes, but what's the matter?"

"Well, I don't have any particular business to call you, but I was wondering how you've been doing."

That was it.

Why did Mr. Kasuya phone me all of a sudden?

I already mentioned earlier that I had sent back 20 million yen—which had been deposited in my account by the Metropolitan Federation as a secret fund for entertainment expenses for the previous gubernatorial election—to the Suzuki camp as a campaign fund.

But, later, Director Akiba told me to "keep the money in custody," and the whole amount was redeposited in my account. I used the money as activity expenses for the last gubernatorial election, and didn't think about it since then.

Various things were pointed out to me during the tax audit, and this money, 20 million yen, was also noticed by tax agents. As I didn't have any receipts or the like to prove where the money came from and where it went, it was considered as income, and a tax was imposed on it.

"Secret Funds Do Exist"

As a result, I protected the Metropolitan Federation during the tax audit. But, the core of the problem lay within the LDP's Metropolitan Federation.

Shigeru Kasuya, an executive director of the Tokyo Metropolitan Federation, says as follows:

"Honestly speaking, unlike in the case of a general store, things are certainly not exacting in the political world. Also, as is true in various circles, secret funds do exist. These funds cannot be revealed to the public. And, I don't think it right to disclose a secret that you came to know when you were friendly with someone just because you break up the relationship."

"I believe that the Isomura camp was moving a huge amount of money in a rather dubious way during the last gubernatorial election."

"I made a promise (regarding the case of former Director H) with the then prime minister and secretary general. I have nothing to say."

Director Nobuyuki Akiba says as follows:

"Accounting was certainly sloppy in the past. It is a fact that we didn't have a ringi system. I believe we owe Mr. Otsuka for correcting this deficiency. I also know about the case of 20 million yen. But, I didn't have such authority as he says I did. I think it intentional that this kind of story came out when I was campaigning (for Mr. Ishihara)."

Probably they thought that I was annoying, so they did many spiteful things to me, like not letting me know about a political fund-raising party sponsored by the Metropolitan Federation.

Then came the question of which district I should run from in the next election under the single-seat electoral system. I tried to arrange meetings, but the Metropolitan Federation didn't get in touch with me. When I became increasingly desperate, TOKYO SHIMBUN suddenly printed an article, "Yuji Otsuka Will Run From Tokyo's 19th District," on 22 November last year. The district is far away from my local constituency.

I was shocked. A decision as to which electoral district to choose is a critical issue for a politician. Shocked by this report, many people from my supporters' association called me to ascertain its validity.

Of course, I was neither advised nor consulted on the report beforehand. My secretary phoned TOKYO SHIMBUN, which responded two or three days later and said that the report was based on "information provided by the Metropolitan Federation."

As I had been bombarded by various scandalous reports before, I thought "this was another one of those."

When I was thinking that the Metropolitan Federation was trying to destroy me completely, and that I would not be able to go on like this any more, I received an invitation to join the NFP. So, I decided to leave the LDP.

A day before I left the party, I visited Chairman Ochi of the Metropolitan Federation to pay my respects.

Mr. Ochi said repeatedly, "I'm sorry. I don't have any power within the Metropolitan Federation, because Mr. Kasuya does everything. I'm sorry, but please understand."

As I used to be a member of the LDP and of the Metropolitan Federation, I was reluctant to disclose these facts in the past. So, I don't know how to apologize for this to voters and members of the LDP.

What I want to say is that the Metropolitan Federation should disclose all its dubious activities, such as not having a clear report on revenues and expenses for the last gubernatorial election. If all these remain concealed as the "federation's shameful side," the people cannot help but think that some dubious things are going on behind the scenes of the current gubernatorial election.

Revolving Stage Series; Murayama 'Isolated'
*OW1404121695 Tokyo ASAHI SHIMBUN in Japanese
5 Apr 95 Morning Edition p 9*

[First in series: "Coalition—A Revolving Stage"; this installment entitled: "People Talk About 'Post-Murayama' Era; Murayama is Confronted With Difficulties and Feels Isolated"]

[FBIS Translated Text] On 29 March, Prime Minister Tomiichiro Murayama and Construction Minister Koken Nosaka were talking to each other while sitting on a sofa at the prime minister's official residence. While drinking tea, Murayama spoke feelingly.

Desert Island

"I envy you. This place is like a desert island. Even if I am in the mood to talk to somebody or feel like going out, I cannot do as I wish. Would you come visit me more often?"

Nosaka is a member of the Social Democratic Party of Japan [SDPJ] and Murayama's sworn friend who was involved in forming the coalition with the Liberal Democratic Party [LDP]. He is one of few politicians with whom the prime minister can talk frankly with. But Nosaka has been staying away from the official residence since former SDPJ Chairman Sadao Yamahana's concept of forming a new party created a stir within the party. Perhaps, Nosaka did so out of fear that his visit might unnecessarily irritate party members. Murayama's feelings are not an exaggeration altogether. The prime minister's official residence gives the impression that the place is a "desolated island," forgotten even by ministries and agencies in Kasumigaseki and the political world, not to mention the social and economic jolt. Many things—the great Hanshin earthquake; administrative reforms, including reform of government-affiliated corporations and easing of government regulations; the skyrocketing appreciation of the yen; and various incidents that may create serious social unrest—happened. Every time something happened, the prime minister made some "comments" to a group of reporters. But, they are all stereotypical comments such as: "I will do my best to settle the issue." He hardly explained his strong will or concrete measures, which substantiate his plans, as the highest power holder. There is no incidence in which the prime minister's comments set a course for the political world or gave a major impetus to the administrative mechanism.

LDP Members Frequently Encourage Prime Minister

The network, through which intentions and information are sent back and forth between the prime minister's official residence and the political and administrative circles, is very fragile. However, LDP members are frequently encouraging the prime minister, who is in a weightless state.

On 3 March, Murayama had his 71st birthday. The prime minister's official residence received many bouquets and potted orchid flowers. Some of them were from "members of the SDPJ's Central Executive Committee." Most of them were presents from ministers and senior officials of the LDP.

Of the presents, a bouquet of 71 roses to match the prime minister's age stood out. It was sent by "Seiroku Kajiyama." Kajiyama and Murayama have been getting along well since they were chairmen of their party's Diet Policy Committee. They are close friends. On 31 March, Kajiyama visited Murayama at the prime minister's official residence and said: "The unified local elections and the lower house elections are not for choosing a government. It does not matter much even if we loose in these elections." It seems Kajiyama wanted to encourage the prime minister before the elections, in which the SDPJ is expected to fight against heavy odds.

Transportation Minister Shizuka Kamei, who was a well-known "hard-liner," and other LDP ministers talked to the prime minister, saying: "Mr. Prime Minister, let us work together to compile a budget for next year too." Murayama, as might be expected of a prime minister, smiled wryly.

On 1 April, Murayama made a speech at the Japan Railways' Akita Station to help an SDPJ candidate, who is running in a prefectoral election.

"The SDPJ and the LDP formed the current administration. Now, we are gaining confidence that things will become better in Japan. The political situation will become stable because the LDP, which has the largest number of seats in the Diet, is cooperating with the SDPJ." During the speech, Murayama exclusively talked about the legitimacy of the SDPJ-LDP coalition.

However, SDPJ supporters and members of labor unions are becoming suspicious of the LDP. A senior SDPJ official said: "The LDP will only take advantage of the SDPJ until it regains its strength." The LDP is beginning to express its views over various issues, including dispatching a coalition mission to the DPRK and putting a "peace resolution" [intended to express Japan's commitment to peace in commemoration of the 50th anniversary of the end of World War II] to the Diet. The LDP is changing its stand while the SDPJ is becoming irritated over the issue of achieving something worth its name.

Peace Resolution a Touchstone

Indeed, the issue of putting a "peace resolution" to a vote in the Diet is becoming a touchstone for the prime minister. Former West German President Richard von Weizsaecker, in his speech to mark the 40th anniversary of the end of World War II, said: "After all, a person who tries even in a slight degree not to look back at the past, will become blind to the present day." SDPJ Dietman Sukio Iwatake visited the prime minister's official residence in late March to give a Japanese translation of Weizsaecker's speech to the prime minister.

Iwatare and Murayama were elected to the Diet at the same time. Iwatare said: "Some people are saying that the current administration is a 'transitional government.' But, do you not think it is quite fine if you can achieve something this memorable year that marks the 50th anniversary of the end of World War II?" Murayama nodded to Iwatare.

Nevertheless, bureaucrats at Kasumigaseki are still critical of the current administration. A senior Finance Ministry official said: "Naturally, we visit the prime minister's official residence less frequently than before because we cannot place our hope on the prime minister's political leadership."

Of late, some SDPJ members are openly taking about the possibility of Murayama stepping down from his post. Even Nosaka said: "I think it is fine if he steps down after resuming the Japan-DPRK negotiations for normalization of diplomatic ties." Realizing the limit of the current administration's centripetal force [kyushin ryoku], people are conscious of the "post-Murayama" era and are trying to feel out a scenario for it. But, when will he step down? Nobody knows when he will step down or who will lead the government next.

It seems that the prime minister is taking no note of people talking about his final days. Every time a pending issue is settled, he always says to his close associates: "Do we have more [pending issues]?"

The 17th of this month will be the 292d day since Murayama became prime minister. SDPJ Prime Minister Tetsu Katayama, who stepped down without demonstrating leadership worthy of the SDPJ's name, was also in his post for 292 days.

Revolving Stage Series; Ozawa 'Isolated'

OWI404122795 Tokyo ASAHI SHIMBUN in Japanese
12 Apr 95 Morning Edition p 7

[Second in series "Coalition—A Revolving Stage"; this installment entitled: "Secretary General Ichiro Ozawa Is Isolated"]

[FBIS Translated Text] Shinshinto [New Frontier Party] Secretary General Ichiro Ozawa, usually a man of few words, spoke willingly at an 11 April meeting of party officials held at the Diet building.

He said: "Our candidate has become the nation's youngest governor in Iwate Prefecture. Shinshinto has become the biggest party in the Iwate prefectoral assembly. This is thanks to your support."

Responding to the applause, Ozawa bowed his head.

A Shinshinto-backed candidate won in the gubernatorial election in Iwate Prefecture, Ozawa's own constituency, where he delivered a soapbox oration, his weak point, for the first time in about three years. Before delivering the soapbox oration, he declared that he "would stake his political career" on the Iwate gubernatorial election.

Moreover, in the Mie gubernatorial election, two days before the voting day, Ozawa visited a company which was backing the opponent of a Shinshinto-backed candidate, as if trying to demonstrate his determination to handle the election. The Shinshinto-backed candidate won in the neck-and-neck Mie gubernatorial race. So the secretary general, who is said to be "strong in handling elections," has maintained his honor.

Ozawa is not the only one who felt relieved. If the Shinshinto-backed candidate had been defeated in the Iwate gubernatorial election, Shinshinto would have been placed in a delicate position.

Moves Toward "Another Realignment of Political Parties"

Shinshinto members who have been elected as legislators twice invited Ozawa to their meeting on 15 March. The atmosphere at the meeting became awkward as soon as Taku Yamamoto, who is from the Liberal Democratic Party [LDP], made the following remarks: "To highlight the difference with the LDP, Shinshinto has to get rid of the old image. There is a strong antipathy toward the secretary general in my constituency. Taking this opportunity, why don't you retire from your current post and become an adviser and help the younger generation?"

"Yes. You are right. I do not want to do tiresome work," replied Ozawa. Then, he looked aside in a huff.

Together with Seiichi Ota and other Shinshinto members, Yamamoto has formed a "group to consider the nature of the prime minister." Many members of the group are not satisfied with the choice of Toshiki Kaifu as Shinshinto president, and seek to form a conservative-conservative alliance [ho-ho Rengo] with LDP members.

After the party presidential race last year, former Transport Minister Keiwa Okuda and other members declared that they were an anti-mainstream group. They have been keeping a low profile lately, saying that "now is not the time to make any move." However, there is a feeling, mainly among former Japan New Party members in Shinshinto, that "a pure new party should be formed, even if it comprises only 40 or 50 members."

"In giving too much consideration to former Komeito members, Mr. Ozawa has lost his characteristic policy and ideas. He has failed to meet our expectations of his leadership." Some Shinshinto members, who were thought to be pro-Ozawa, are expressing growing dissatisfaction with the current situation in the party, which is now five months old.

In reply to such expressions of dissatisfaction, Ozawa often says: "I have left the decision to those who are working in local chapters. To that end, we have various organizations." However, unlike the LDP, in which Ozawa once served as secretary general, organizations such as Shinshinto, only recently formed from among a variety of parties and groups, cannot function well if a decision is left to members in the field.

Ozawa Is Devoting Himself To Officially Adopting Lower House Candidates

While Ozawa has been criticized for vigorous action, he is still expected to display "strong leadership." Ozawa, who seems to be isolated, is now devoting himself to coordinating the officially adopted candidates for the next House of Representatives election. Keenly following the results of the party's own public opinion polls, he has continued his work of deciding which candidates run where by marking each constituency on the map, at the same time muttering such comments as: "We can win here"; "a neck-and-neck race here"; or "a stern situation."

Keisuke Nakanishi, chief of Shinshinto's election affairs council, asked: "Do we wait for a little while to watch whether members of the New Democratic League within the Social Democratic Party of Japan leave the party?"

"How long will they keep us waiting? Go ahead with your work and don't include them in your calculations," said Ozawa.

In discussions which often last until midnight, Ozawa reportedly says, as if trying to convince himself: "If we do not lose in constituencies where we are supposed to win, there is a big chance our party will become the biggest party."

However, the work of officially adopting candidates for the House of Representatives election is not going smoothly. There is speculation that the regrouping of political parties may take place again before the next House of Representatives election. In view of this speculation, according to Nakanishi, "many legislators will not easily agree to leave their own constituencies under the single-seat system."

Like Seiichi Ota, some legislators even decline to accept the party's official nomination as candidate.

In connection with coordinating the official nomination of candidates, former Prime Minister Morihiro Hosokawa urged Ozawa last month "to solve matters concerning Mr. Toshio Yamaguchi and Mr. Nakanishi." Hosokawa did so out of concern that the scandal involving two controversial credit unions may hurt the party's image. Ozawa told Hosokawa: "Setting aside the question of Mr. Yamaguchi, I cannot dismiss Mr. Nakanishi from his post because he is now coordinating the nomination of candidates."

Concern Over Confusion Following the House of Councillors Election

At the end of March, Ozawa said to Hosokawa and policy affairs council chairman Yuichi Ichikawa: "The LDP has also begun to feel they 'cannot maintain' the administration 'under Prime Minister Murayama.' However, there is no opportunity to get the prime minister to resign. Although LDP members also feel dissatisfaction with President Yohei Kono, the condition is the same as

that involving Prime Minister Murayama. If the political situation becomes confused after the House of Councillors election, what should we do?"

This was the first time that Ozawa—who has continued to say since Shinshinto was formed that "the basis for regaining power is elections"—had mentioned the possibility of a "change of government."

However, commenting on the situation within the LDP, Ozawa added: "I hope someone will bring about 80 members to our party. It would be impossible, though."

He also said: "If they intend to promote administrative reform in earnest, I can act with them."

He did not, though, show a "determination" to ally with LDP members. And Hosokawa and the others feel that Ozawa's views take into consideration not only Michio Watanabe, former deputy prime minister and foreign minister, and other LDP members whom Ozawa has often contacted, but also the former Obuchi faction, whose moves are currently drawing attention.

House of Councillors member Sadao Hirano, a close aide of Ozawa, had an appointment with former Prime Minister Noboru Takeshita in February, with whom they have split. When Hirano asked Ozawa "how he should deal with the meeting," Ozawa replied: "You can frankly tell him everything as it is."

There are no clear prospects for forming a "conservative-conservative alliance" and for "reconciling" with the former Takeshita faction. Now that even members of the ruling parties have begun to talk about the "post Murayama" situation, Ozawa—who has maintained that a "general election is the basis" for regaining power—may be at a loss to know how he should deal with this political situation.

North Korea

ROK Visitors Tour King Tongmyong's Tomb

SK140405195 Pyongyang KCNA in English 0458
GMT 14 Apr 95

[("Sojourn of South Koreans"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Leader of Taejonggyo An Ho-sang and chairman of the National Council for Reunification and Restoration Kim Son-chok of South Korea called at the tomb of King Tongmyong on Thursday.

Being briefed on the tomb of King Tongmyong, the first king of the Koguryo Dynasty once renowned as a great powerful state, that was reconstructed splendidly as a precious treasure in the history and cultural traditions of Korea, they saw with keen interest the monument to reconstruction of the tomb of King Tongmyong and the monument to King Tongmyong, the father of Koguryo Dynasty and the Chongrung Temple.

They paid homage to King Tongmyong before the tomb. They visited the West Sea barrage built as a gigantic monumental edifice with our own technology, materials and workforce and appreciated the folk dance suite "Song of Seasons" at the Pyongyang Grand Theatre.

Kim Son-jok said that, though Korea is divided into the North and South, the feelings of the Tangun nation are one and the same. "Through the visit, I felt the homogeneity and great pride of the nation once again", he added. On April 12, they visited the Mangyongdae School Children's Palace.

On the same day, they paid a courtesy call on Yu Mi-yong, chairwoman of the Central Guidance Committee of the Korean Chondoist Association, and conversed with her in an atmosphere of compatriotic feelings.

South Koreans Urge Unity of Nation's Forces

SK1304213395 Pyongyang KCNA in English 1505
GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—299 South Korean progressive highly-placed figures of various social strata jointly issued "March 1 Declaration of National Independence" to greet the 50th anniversary of the country's liberation, according to a media report.

Noting that the division of the country cannot be changed into reunification without adhering to the spirit of national independence and the principle of great national unity, the declaration called on the 70 million fellow countrymen to achieve independence, democracy and reunification by uniting the forces of the nation for independence.

Pointing out that the spirit of national independence should be established in the political, economic, diplomatic and military fields, it said the "government" must give priority to the system of national cooperation between the North and the South, not to the South Korea-U.S.-Japan "international cooperation system" and shape a policy of reunification based on the will of all the people desirous of reunification.

It said all efforts should be made for the removal and improvement of all the "laws" and machines barring mutual understanding and exchange between the compatriots in the North and the South, the prevention of the economic dependence and the consolidation of independent foundations for ensuring the life and development of the whole nation.

It stressed that the spirit of the anti-Japanese struggle and the national reunification movement should be fully displayed, the spirit of the nation reestablished and the development of national culture and education promoted.

ROK Students Vow To Hold Reunification Rally

SK1304213695 Pyongyang KCNA in English 1520
GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The South Korean Federation of General

Student Councils (Hanchongnyon) expressed its determination to work hard to make this a year of turn for reunification and bring to success the August 15 national rally for reunification.

The federation declared it on April 2 when it called a press conference after the meeting of third-representatives. [sentence as received]

Hanchongnyon told the conference that Chong Tae-hong, chairman of the General Student Council of Korea University, was elected its chairman and its general task and action programme were decided with full approval of representatives. The meeting adopted a "Statement of Hanchongnyon on frustrating suppression of the student movement and abolishing the 'National Security Law'" [NSL] and an "Appeal to the 70 million fellow countrymen", it said.

The statement urged the Kim Jong-sam puppet regime to stop at once the repression of the student movement, immediately abrogate the "NSL", the leftover of the old times, standing in the way of reunification, and put an end to the security-oriented rule of the "Agency for National Security Planning", "Defence Security Command" and "National Police Agency."

It declared that the one million students would fight to smash the Kim Jong-sam regime's suppression of the student movement, demonstrate the reunification will of students through the movement calling for reunification and June 3 students' rally and advance into the August 15 national rally for reunification, a grand reunification gathering of people from all walks of life.

The appeal said that the 70 million fellow countrymen should bring the August 15 national rally for reunification to a success, on the basis of patriotism of reconciliation and great unity.

Hanchongnyon will make devoted efforts to make this year a turning point for national reconciliation and great national unity, it declared.

Newspaper Comments on U.S. 'Ulterior Motive'

SK1304143395 Pyongyang Korean Central
Broadcasting Network in Korean 1222 GMT 13 Apr 95

[NODONG SINMUN 13 April Commentary: "Implementation of Agreement Needs Favorable Atmosphere"]

[FBIS Translated Text] According to a news report, the South Korean puppets have recently worked out a South Korean-U.S. joint defense plan whose main point is to have the United States dispatch 40 percent of its total Naval strength to the Korean peninsula in case of an emergency there; and they are clamoring that they will discuss once again the question of resuming this year's 'Team Spirit' military exercise.

Because these remarks are being claimed by the South Korean puppets, it is not clear whether this is true or not. If this turns out to be true, the problem lies with the

United States [munjenun miguke itago polsuitta]. This is because the ulterior motive of the United States, which has so far created complexity regarding the question of light-water reactors, will be revealed.

Even after the adoption of the DPRK-U.S. framework agreement, the U.S. hard-line conservative forces have been invariably pursuing their ambition to crush [apsal] us with force. They are augmenting armed forces while scrapping the plan to reduce the U.S. Forces in South Korea; and they are trying to stage even a new military exercise under the pretext of filling the void created by the suspension [chungji] of the 'Team Spirit' exercise.

Moreover, with the approach of the negotiations on the light-water reactors, which have been resumed by our broad-minded efforts [aryangitnun noryok], the United States is attempting to make the relevant question more complicated, while claiming that the United States cannot accept an epoch-making proposal put forth by us, or that it will urge us to accept someone's role, and so on.

Even more, the United States has gone so far as to openly threaten [wihyop] us, saying that if their request is not met [yoguga kwancholdoeji anul kyongu] at the current negotiations [ibon hyopsang], they will declare that the negotiations have been terminated [chonggyol sonphago], and furthermore, they will abrogate [pagi] the DPRK-U.S. framework agreement.

This is, in fact, not different from a declaration of a total confrontation against us [igossun sasilsang urie taehan chonmyon taegyolul sonpohangotkwa tarulba opta].

Facts are forcing us to deeply wonder once again what the real ulterior motive [chintcha soksimi kwayon odie itnungrul tasigum kipi saenggake poji anulsu opke hagoita] of the United States is in the negotiations over the light-water reactors.

If we are not mistaken, we guess that the real interest [siljejokin kwansimsa] of the United States lies not in the supply of light-water reactors or in the implementation of the DPRK-U.S. agreement, but rather in finding a new excuse to crush us with force in the long run by intentionally creating complexity over this question.

The prevailing situation practically corroborates [silchonjokuro chungsihaejugo itta] that if the DPRK-U.S. agreement is to be implemented smoothly [chedaero], it is necessary, first, to create a relevant atmosphere in favor of this [uson kue matnun punwigi puto chosonghayoya handanungossul].

It is too clear that it is hard to expect the implementation of the agreement under the circumstances in which the confrontational situation [taegyol sangtae] continues and tension is mounting [kinjangi kyokhwadoenun sokeso] between the DPRK and the United States.

If a favorable atmosphere [choun punwigi] is to be created for the implementation of the DPRK-U.S. agreement, it is necessary to remove [haeso], first, the relationship of hostility [choktae kwangye puto haeso sikyoya handa] between us and the United States.

If the United States sincerely wants to see the implementation of the DPRK-U.S. framework agreement, it should not accept the South Korean puppets' unjust request [yogu] related to the question of light-water reactors, but should make honest and diligent efforts [songgunhage noryokhayoya halgoissida] to create a favorable atmosphere for the implementation of the DPRK-U.S. framework agreement by solving the question of concluding a peace agreement.

Dailies Support 'Just Struggle' of Libyan People
SK1404110795 Pyongyang KCNA in English 1039
GMT 14 Apr 95

[“Libyan People Are Sure To Win”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Papers here today carry articles expressing support for the just struggle of the Libyan people on the lapse of nine years since the U.S. barbarous bombing against Libya.

Today the Libyan people are resolutely fighting to defend the independence and sovereignty of the country from the anti-Libyan moves of the imperialists, which are getting all the more undisguised with each passing day, NODONG SINMUN in a signed article says, and continues:

The anti-Libyan campaign is designed to bring the people to their knees and gain political, economic and military domination over the region.

The Libyan people are sharpening their vigilance against new possible aggression on the part of the imperialists.

The Korean people express full support for and solidarity with the Libyan people in their struggle to safeguard the national dignity and interests, defying the threat of the imperialists and their blockade.

The anti-Libyan campaign of the imperialists will end in failure.

MINJU CHOSON in a by-lined article expresses the resolution of the Korean people to support the anti-imperialist, independent stand of the Libyan people in the future, too, as in the past.

More Reports on April Spring Friendship Festival

Vice Premier Meets Cambodians
SK1404044795 Pyongyang KCNA in English 0436
GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Chang Chol, vice-premier and minister of culture and art, on Thursday [13 April] met and had a friendly conversation with the Cambodian National Dance Troupe led by Pen Jet [spelling of name as received], deputy secretary of state for the Ministry of

Culture and Art, which is staying here to participate in the 13th April Spring Friendship Art Festival.

Present on the occasion were Vice-minister of Culture and Art Choe Yong-ku and the charge d'affaires ad interim of the Cambodian Embassy in Pyongyang.

Artistes Stage Joint Performances

SK1404111395 Pyongyang KCNA in English 1004
GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Joint performances of the 13th April Spring Friendship Art Festival began at various theatres in Pyongyang on April 13.

The joint performances are given by artistes of various countries and overseas Korean artistes, who left deep impressions on the audience during the separate and group performances from April 9 to 12, and Korean artistes.

Put on stage were many pieces showing immortal exploits of the great leader President Kim Il-song and telling that he is always with humankind. Among them are "He Did Not Pass Away" sung by Zykina Lyudmila Georgiyevna, head of the Russian folk song and dance ensemble, "Kim Il-song, You Are Eternal Sun" by an Algerian musician, "The Sun of Chuche Will Shine Forever" by Mohamed Naim Gwider, a Syrian soloist, "The Great Leader Will Always Be With Us" by a Malagasy musician and "Bright Smile".

Also put on stage were "Lodestar of Korea" by Ukrainian artistes, "Paean to Sun" by Korean artistes overseas, "Our General is the Best" sung by foreign artistes and other songs praising the greatness of dear Comrade Kim Chong-il.

Programmes include song, dance, instrumental music and other pieces showing the noble spiritual world of the peoples of different countries, their love for the country and optimistic labour.

Acrobats of Cuba, Mongolia, China, Egypt, Ukraine and other countries gave a joint performance to be acclaimed by the spectators.

Festival Performances End 12 Apr

SK1304052995 Pyongyang KCNA in English 0518
GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—Separate and group performances of the 13th April Spring Friendship Art Festival, which opened here on April 9, closed on April 12.

Participating in the performances were the actors and actresses who had the honor of performing in the presence of the great leader President Kim Il-song during the last festivals and international and national prize winners and many other well-known artistes.

Put on the stage were many songs, dances, instrumental musics, acrobatic pieces in some 40 separate and group performances given at the theatres in Pyongyang.

The colorful numbers were a fruition of the sincere efforts of foreign and overseas Korean artistes to make the current festival more significant, who are yearning for President Kim Il-song.

Vice President Yi Meets PRC Media Delegates

SK1404113795 Pyongyang KCNA in English 1100
GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Vice-president Yi Chong-ok today met and had a talk with the visiting delegation of the Ministry of Radio, Film and Television of China led by Minister Sun Jiazheng at the Mansudae Assembly Hall.

Present there were Chong Ha-chol, chairman of the Radio and TV Broadcasting Committee of the DPRK, and Chinese Ambassador to Korea Qiao Zonghuai.

Government, Nepal Sign Cultural Agreement

SK1304214295 Pyongyang KCNA in English 1527
GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—An agreement on cultural cooperation between the Government of the Democratic People's Republic of Korea and the Government of the Kingdom of Nepal was signed here today.

Present there on the Korean side were Chong Chun-ki, chairman of the Committee for Cultural Relations with Foreign Countries, and officials concerned and on the opposite side were the members of the Nepalese Government educational and cultural delegation led by Minister of Education, Culture and Social Welfare Modnath Prasari.

Delegation Returns From Meeting in Spain 9 Apr

SK1304131095 Pyongyang Korean Central
Broadcasting Network in Korean 0100 GMT 11 Apr 95

[FBIS Translated Text] A delegation of the DPRK parliamentary group committee headed by Yi Mong-ho, vice chairman of the parliamentary group committee and senior secretary of the Standing Committee of the Supreme People's Assembly [SPA], which attended the 93d general meeting of the International Parliamentary Union held in Spain, returned home by train on 9 April.

At the Pyongyang railway station, the delegation was greeted by Yu Ho-chun, member of the SPA Standing Committee and director of the secretariat of the Central Committee of the Democratic Front for Reunification of the Fatherland.

Anniversary of Relations With Portugal Marked

SK1404112095 Pyongyang KCNA in English 1036
GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The establishment of diplomatic relations

between the Democratic People's Republic of Korea and the Republic of Portugal on April 15, 20 years ago marked an important occasion in deepening the understanding between the peoples of the two countries and developing their friendly relations, NODONG SINMUN and MINJU CHOSON in by-lined articles today say.

After the establishment of diplomatic relations the two countries have made their efforts to develop the inter-state relations and deepen economic and cultural exchanges, NODONG SINMUN says, and goes on:

The understanding between the peoples of Korea and Portugal is deepening. The key point in Portugal's foreign relations is cooperation with the European Union.

The consistent position of Korea's party and Government in their foreign relations is to develop friendly and cooperative relations with many countries of the world in the idea of independence, peace and friendship. The Korean people will continue to develop the friendly and cooperative relations with the Portuguese people in the future.

Expressing the belief that the bonds between Korea and Portugal will further develop on good terms in the idea of independence, peace and friendship, MINJU CHOSON notes that the Korean people wish the Portuguese people new success in their efforts for the country's stability and economic development.

Envoy Pays Courtesy Call on Angola Party Leader
*SK1304013095 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 10 Apr 95*

[FBIS Translated Text] On 30 March, DPRK Ambassador to Angola Hyon Sok paid a courtesy call on (Ondura de Randu), chairman of the Liberal Democratic Party of Angola.

At the meeting, the ambassador delivered greetings from the great leader [yongdoja] Comrade Kim Chong-il to Chairman (Ondura de Randu). The chairman expressed deep gratitude for this and asked the ambassador to convey his heartiest greetings to the great leader Comrade Kim Chong-il.

The chairman stated: The DPRK people have been achieving excellent results in socialist construction under the wise leadership of dear his excellency Kim Chong-il, and are actively struggling to achieve reunification of their fatherland in the 1990's without fail. We send our firm support and solidarity to the DPRK people's struggle. Our party sincerely hopes the DPRK people, our close friends, will excellently fulfill the Korean revolution for generation after generation under the dear leader his excellency Kim Chong-il, converting the sorrow of losing the great leader Comrade Kim Il-song into vigor and courage.

Japanese Youth Group Urges Resumption of Talks

*SK1404111595 Pyongyang KCNA in English 1011
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)— Pak Ku-ho, chairman of the League of Korean Youth in Japan, released a statement on April 11 saying that the adoption of the agreement on the resumption of the talks between the Democratic People's Republic of Korea and Japan will mark an important occasion in opening a new phase in the improvement of the DPRK-Japan relations.

The improvement of the bilateral relations should begin with the liquidation of the crimes committed by Japan against the Korean people, he said, and noted:

Japan must admit the historical fact that it enforced the colonial rule over Korea in the past and has persistently pursued a hostile policy towards the DPRK after the liberation of the country and honestly repent of, apologize and compensate for it.

We urge the Japanese Government authorities to sincerely implement the agreement in conformity with the desire and demand of the Korean and Japanese peoples.

Korean Residents in Japan Groups Arrive in Wonsan

*SK1304214095 Pyongyang KCNA in English 1525
GMT 13 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—A home-visiting group of students of the Korean University of the General Association of Korean Residents in Japan (Chongnyon) led by O Hwang-sok, home-visiting groups of Korean students in Japan led respectively by Im Min-hyok and Choe In-tae and the 234th (?short- term) home-visiting group of Koreans in Japan arrived in Wonsan today by the ship "Mangyongbong 92".

Kim Chong-il Sends Stipends to Koreans in Japan

*SK1404112295 Pyongyang KCNA in English 1046
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The great leader Comrade Kim Chong-il sent educational aid fund and stipends amounting to 83,340,000 yen (in Japanese currency) for the democratic national education of the General Association of Korean Residents in Japan.

The educational aid fund and stipends sent by the great leader President Kim Il-song and Comrade Kim Chong-il in the 131 installments for Korean children in Japan total 42,396,682,433 yen (in Japanese currency).

Kim Chong-il Thanks Workers in South Pyongan

*SK1404060895 Pyongyang KCNA in English 0454
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The great leader Comrade Kim Chong-il sent

thanks to officials and working people for their contribution to the construction of dwelling houses on the Yonryu cooperative farm, Pukchang county, and Hwajin cooperative farm, Pyongwon county, and the construction of dwelling houses and a reservoir on the Namsanggye cooperative farm, Mundok county, in South Pyongan Province.

Comrade Kim Chong-il also extended thanks to party members and working people for their contribution to the construction of Hyonmae pit of Songchon mine and Yongwon phosphorite mine in South Pyongan Province.

Activities Mark Kim Il-song Birth Anniversary

Kim Chong-il Recollects Father

SK1404103295 Pyongyang KCNA in English 1023
GMT 14 Apr 95

[“Life Devoted to People”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The Korean people are recollecting with warm emotion the great life of the respected leader President Kim Il-song on his 83rd birth anniversary, yearning for him.

The dear leader Comrade Kim Chong-il said:

“Under the motto, ‘The people are my god’, which he adopted when he was young, Comrade Kim Il-song mixed with people, shared weal and woe with them and devoted his all for them, throughout his life.”

The life of President Kim Il-song was a brilliant life of a great man, a great revolutionary who devoted his all solely to the sacred cause of the people.

The president gifted with the love for the people embarked upon the road of revolution at the age of 13, taking the destiny of the country and the nation on his shoulders, and at last, achieved the historical cause of the liberation of the country and brought a true freedom and happiness to the Korean people.

He took a ceaseless course of on-the-spot guidance, always finding himself among the people without relieving manifold fatigues after the liberation of the country (August 1945). After returning in triumph to the liberated country, he first called on the workers of the Kangson steel works without dropping in at Mangyongdae, the native place he had left 20 years before. He went to a brickyard for housing right after he descended from the rostrum of the square celebrating the victory in the fatherland liberation war (June 1950- July 1953).

His on-the-spot guidance numbered nearly 4,500 till 1970 since the liberation. In his eighties President Kim Il-song gave on-the-spot guidance over many rural communities across the country and different domains of the national economy from a tideland on the west coast to Yonsa County, North Hamgyong Province, from Paekmu plateau of Yanggang Province, to Kwail

County, South Hwanghae Province and the Yonbaek plain adjacent to the Military Demarcation Line in order to provide the people with a happier life.

He listened to the opinions of the people during his endless on-the-spot guidance, and enforced politics of love reflecting their will.

There are many legends of his great love for the people. When the president called at a mountain village on the east coast of Korea in the summer of 1949, an old man told him that he wanted to have several holiday dresses and beddings. He soon unfolded a new blueprint of the development of the textile industry. After hearing the words of a woman that a floor-heated room is better in January 1958, the president saw that the floors of all the high-rise apartment houses could be heated, saying what the people like is all good. When seeing a woman carrying a water jar on her head on a rural village road in the spring of 1969, the president made sure that the introduction of the water service system in the countryside was adopted as a decision of a party congress.

He did not have a rest even a day for the promotion of the people's wellbeing.

President Kim Il-song devoted his heart and soul to the prosperity and development of the country and the freedom and happiness of the people, without resting on Sundays, birthdays and holidays, more than 2,530 days or seven years in all, to say nothing of work days, till July 1994 when his great life ended after the liberation. During these rest days he directed important meetings and main units of different domains of the national economy on over 1,600 occasions and gave officials highly important teachings thousands of times on improving the people's living standard.

Particularly, he was in his office room on July 3, the last Sunday of his life, and gave teachings to officials, consulting with them about the matters related to the people's life at a consultative meeting on July 6, two days before his death.

The Korean people live in a most ideal society centred on the popular masses, thanks to the president's politics of love for them.

Indeed, he was the great father of the people, who devoted his all to them.

So, the Korean people are holding in high esteem as the eternal father President Kim Il-song, who devoted his thinking, practice and rest to the country and the people, and will convey his revolutionary feats forever.

Cuban Ambassador Hosts Reception

SK1404050995 Pyongyang KCNA in English 0452
GMT 14 Apr 95

[“Cuban Ambassador Gives Reception on Occasion of April 15”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Jose Ramon Rodriguez, Cuban ambassador to Korea, hosted a reception Thursday on the occasion of the birthday of the great leader President Kim Il-song.

The ambassador said in his speech at the reception that the Cuban people could hardly repress their painful feelings at the death of the great leader Comrade Kim Il-song who founded the great revolutionary idea and performed enormous exploits in leading the Korean people to happiness.

"Although Comrade Kim Il-song passed away, he is immortal and still indicates the road ahead of us," he said.

He expressed the belief that the Korean revolution would continue to progress victoriously under the guidance of the great party headed by the great leader Comrade Kim Chong-il.

Kim Yong-nam, Politburo member of the C.C. [Central Committee], The Workers' Party of Korea, vice-premier of the Administration Council and minister of foreign affairs, said in his speech that though the great leader Comrade Kim Il-song passed away his enormous feats for the country and revolution, the times and humankind would shine long for all ages.

"The flower garden of friendship between the two countries is the great friendship created and cultivated by the great leader Comrade Kim Il-song and esteemed Comrade Fidel Castro Ruz and it is the invariable will of respected general Kim Chong-il to continuously consolidate and develop this friendship generation after generation," he said.

He vowed to continue strengthening and developing the friendly and cooperative relations, true to the high intention of the respected general.

National Seminar Held in India

SK1304213595 Pyongyang KCNA in English 1514
GMT 13 Apr 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—An Indian national seminar on the chuche idea for independence and social progress was held in New Delhi on April 8 on the occasion of the birthday of the great leader President Kim Il-song.

The participants observed a moment's silence in memory of President Kim Il-song who founded the immortal chuche idea and made undying contributions to the human cause of independence.

Speeches were made at the seminar by secretary general of the Asian Regional Institute of the Chuche Idea [ARIJI] Govind Narain Srivastava, the minister of chemistry and fertilizer of India and other personages.

T.B. Mukherjee, president of the ARIJI and a winner of "International Kim Il-song Prize", made a report under the title "Independent development of country and man-centred idea". The reporter said that with the chuche idea, the man-centred idea, founded by respected President Kim Il-song humankind could greet a historical period of great turn with a new viewpoint that they are masters of the world and their destinies, instead of the outdated thinking and conception, and turn out in the worthwhile cause of building a new world of independence.

"Esteemed President Kim Il-song is, indeed, the greatest thinker and theoretician of our era who made a distinguished contribution to the development of human thought, and an outstanding leader who brought about a new historical turn in the popular masses' cause of liberation under the banner of independence," he said.

If the principle of developing a country in an independent way is to be consistently maintained, it is very important to properly inherit and develop the cause of the leader who started his people's cause of independence, he stressed, saying: The problem of the continuity of the leadership has been successfully solved in Korea.

He further said:

"The idea and leadership of esteemed President Kim Il-song is now being fully carried forward by his excellency the great leader Kim Chong-il. Herein lies the fundamental source for the immortality of the great exploits of President Kim Il-song."

Taking the floor were also Vishwanath, secretary general of the Council for "International Kim Il-song prize" and secretary general of the chuche idea study society of India, and different figures.

The speakers said esteemed President Kim Il-song's exploits would be immortal along with the development of the human cause of independence.

A letter to Comrade Kim Chong-il was adopted at the seminar.

And a New Delhi declaration was adopted.

The declaration said "We will fully discharge our mission before the times in adhering to the great chuche idea fathered by President Kim Il-song and defending the socialist cause of chuche, the human cause of independence, started by him."

It also expressed full support for the three principles of national reunification—independence, peaceful reunification and great national unity—advanced by President Kim Il-song and firm solidarity with the Korean people in the efforts for their realization.

"We will commemorate significantly every year the 15th of April, the birthday of President Kim Il-song, and hold in high esteem His Excellency Kim Chong-il as the great leader of the cause of independence to keep our sense of

duty and conscience for President Kim Il-song to the last," the declaration concluded.

Seminar in India Sends Letter

*SK1404054095 Pyongyang KCNA in English 0516
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)— A letter came to the great leader Comrade Kim Chong-il from the participants in the Indian National Seminar on the Chuche Idea for Independence and Social Progress held in New Delhi on the occasion of the birth anniversary of respected President Kim Il-song.

The letter dated April 8 says respected President Kim Il-song founded the chuche idea to pioneer the historical movement of the present era going towards independence and successfully start the noble cause of its optimistic future.

He is alive as the eternal sun in the hearts of the progressive people of the world and in our hearts for his distinguished feats which no other great men could perform in history, the letter says, and continues:

Under the leadership of His Excellency Kim Chong-il, the chuche idea founded by President Kim Il-song has been successfully carried forward and enriched and the cause of socialism, the cause of independence started by him steadfastly defended and is being accomplished at a new, higher stage.

The participants in the seminar were unanimous in stressing that it is another great feat of His Excellency Kim Chong-il in further enriching the idea of President Kim Il-song and contributing to the human history of thought that he published the famous work "Socialism Is a Science" to complete the theories on socialism as an anthropocentric socialist doctrine.

The letter expresses the belief that the Korean people under the wise leadership of His Excellency Kim Chong-il will surely reunify the country in the '90s.

It wholeheartedly wishes Comrade Kim Chong-il good health and a long life.

IICI Head Ogami Awarded Prize

*SK1404054295 Pyongyang KCNA in English 0512
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The "International Kim Il-song Prize" Council decided to award "International Kim Il-song Prize" to Kenichi Ogami, secretary general of the International Institute of the Chuche Idea (IICI), who had ardently espoused the immortal chuche idea founded by the great leader President Kim Il-song and greatly contributed to the accomplishment of the cause of global independence, on the occasion of the birth anniversary of President Kim Il-song.

The decision was made public in New Delhi.

Iranian Ambassador Visits Statue

*SK1404054695 Pyongyang KCNA in English 0523
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Iranian Ambassador to Korea Seyyed Morteza Mirheydari and his embassy officials on Thursday visited the statue of the great leader President Kim Il-song standing on Mansu Hill, on the occasion of April 15.

They laid a floral basket before the statue and paid homage to President Kim Il-song.

The ambassador said his excellency the great President Kim Il-song was, indeed, a great man of the world.

Anniversary Commemorated Abroad

*SK1404111495 Pyongyang KCNA in English 1008
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The birth anniversary of the great leader President Kim Il-song is being commemorated in different countries.

Meetings were held in Moscow, Hentiy Province of Mongolia and at the building of the National Council of Workers of Mexico.

At the meetings speakers said that the whole life of President Kim Il-song is the life of a distinguished leader who made immortal contributions to the cause of human liberation upholding the banners of socialism and anti-imperialism and independence.

Speakers emphasized that his excellency respected President Kim Il-song was a great man of the world, noting that he set a model in building a new society with extraordinary leadership and encouraged the struggle of the world people for independence.

Lecture meetings took place at the group for the study of the chuche idea of Comrade Kim Il-song in Enmo, Guyana, in Kambuzuma district in Harare of Zimbabwe and the secretariat of state of the agricultural hydraulics of the Ministry of Agriculture of Mozambique on the same occasion.

And the book "Korea" was published in Warsaw of Poland on April 6, on the birth anniversary of President Kim Il-song.

The book edited articles including those titled "Recollection of the Visit to the Democratic People's Republic of Korea", "The Chuche Idea", "The Historical Lesson in Building Socialism and the General Line of Our Party", "International View of the Reunification of Korea" and "Korean Peninsula, Bridge to Asia."

Meeting Marks Birth Anniversary

*SK1404105295 Pyongyang KCNA in English 1044
GMT 14 Apr 95*

[("National Meeting on Birth Anniversary of President Kim Il-song"—KCNA headline)]

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—A grand national meeting is now being held at the Pyongyang indoor stadium on the occasion of the birth anniversary of the great leader President Kim Il-song.

It is attended by Premier Kang Song-san and other party and state cadres and working people in the city.

The participants paid a silent tribute to the memory of President Kim Il-song.

Kim Yong-nam, member of the Political Bureau of the C.C. [Central Committee], the WPK [Workers Party of Korea] and vice-premier of the Administration Council, delivered a report at the meeting.

Noting that all the Korean people are greeting the birth anniversary of the fatherly leader President Kim Il-song with a bitter sorrow at his sudden death, the reporter said:

"There are many great men recorded in history for their unusual traits and quality. But the world does not know such a greatest man and leader as respected Comrade Kim Il-song, who performed undying tremendous feats in his lifetime along with the century, possessed of distinguished traits and quality."

"The respected leader Comrade Kim Il-song was not only a talented thinker and theoretician but a great revolutionary and a sage of revolution and a great statesman who built the best socialism centred on the popular masses in the east. [no closing quotation mark as received]

Pointing out that only when all the party members and working people remain faithful to the guidance of the great leader Comrade Kim Chong-il, can they realise all the lifetime intentions and plans of President Kim Il-song, the reporter said they must do their utmost in one mind to make Korea, a socialist country, ever prosperous as the country of Comrade Kim Il-song and a paradise where the Kim Il-song nation lives.

Leaders Attend Stadium Meeting

SK1404134595 Pyongyang Korean Central Broadcasting Network in Korean 0657 GMT 14 Apr 95

[FBIS Translated Excerpt] [Unidentified announcer] This is the Pyongyang indoor stadium. In a moment, a grand central report meeting will be held to mark the 83d anniversary of the birth of Comrade Kim Il-song, the great leader of our party and people. [passage omitted]

Appearing at the platform are Comrade Kang Song-san, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and premier of the Administration Council; Comrades Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the WPK Central Committee and vice presidents; Vice President Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central

Committee and vice premier of the Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of General Staff of the Korean People's Army [KPA]; and other leading cadres of the party and the state; vice marshals of the KPA; responsible functionaries of the power organs, administrative and economic organs, and social organizations; anti-Japanese revolutionary fighters; and men of merits. Overseas compatriots are also appearing at the platform. [applause]

Kang Hyon-su, responsible secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, is presiding over the meeting. [passage omitted]

Book on Kim Il-song Published

SK1304213895 Pyongyang KCNA in English 1524
GMT 13 Apr 95

[FBIS Transcribed Text] Pyongyang, April 13 (KCNA)—The book "The Great Leader Comrade Kim Il-song Will Always Be With Us" was published in the Workers' Party of Korea publishing house on the occasion of the 83rd birth anniversary of the great leader Comrade Kim Il-song.

The main idea of the book which consists of 3 chapters is that the respect and boundless reverence of the Korean people for him are absolute, undisputed and invariable as President Kim Il-song's trust in and affection for them were.

The first chapter says on the basis of concrete facts that President Kim Il-song who elucidated the century with the chuche idea was the sun of chuche, the benefactor of national rebirth and the lodestar of human liberation and his death was the greatest misfortune for the Korean nation and the progressive humanity.

The second chapter stresses that the president will always be with the Korean people for the immortal exploits performed by him all his life and Korea will certainly emerge victorious, led by the great leader Comrade Kim Chong-il.

The third chapter elaborates on the tasks and ways to vigorously fight along the road of the revolutionary cause of chuche holding President Kim Il-song in high esteem forever.

Loyalty Pledged to Kim Chong-il

SK1404045195 Pyongyang KCNA in English 0440
GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Officials and members of the General Federation of Trade Unions, the Union of Agricultural Working People and the Democratic Women's Union of Korea respectively met to pledge intense loyalty and filial piety to the great leader Comrade Kim Chong-il,

true to the behests of the great leader President Kim Il-song on the occasion of April 15.

They observed a moment's silence in memory of President Kim Il-song.

Reporters and speakers at the meetings stressed that all the officials and union members should defend and glorify the immortal exploits of the fatherly leader Comrade Kim Il-song and remain singleheartedly loyal and dutiful to the leadership of respected General Kim Chong-il.

The dear leader Comrade Kim Chong-il, who has fully personified the thought, leadership and traits of the great leader Comrade Kim Il-song, is the god of their fortune and their future, they said.

They called upon the officials and members of the working organizations to think and act as intended by the great General Kim Chong-il at any time and in any place, with the rockfirm belief that led by him they will surely win, and work heroic feats in the endeavours to implement the Workers' Party of Korea's revolutionary economic strategy.

Letters of pledge to Comrade Kim Chong-il were adopted at the meetings.

Film Show Hosted by Ministry

SK1404045095 Pyongyang KCNA in English 0445
GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The Ministry of the People's Armed Forces hosted a film show for the Military Attaches' Corps in Korea Thursday [13 April] on the occasion of the birth anniversary of the great leader President Kim Il-song.

Present there were Vice Marshal Kim Kwang-chin, Col. General Pak Chae-kyong and other generals and officers of the Korean People's Army.

The participants appreciated the Korean documentary film "The Great Life in 1994".

After seeing the film, Vietnamese Military Attaché Tran Thuc [spelling of name as received], who is doyen of the Military Attaches' Corps, said that President Kim Il-song had devoted his all to the revolutionary cause of building prosperous and powerful Korea in his lifetime.

The Korean people and People's Army have made brilliant achievements in the socialist construction, closely rallied around the great leader Marshal Kim Chong-il, true to the behests of the president, he noted, adding:

We wish the Korean people and Armed Forces a greater success in their efforts for the building of socialism and the independent and peaceful reunification of the country.

Egyptian Military Attaché Rafat Yusri Rashad Mihail [spelling of name as received] said that such a great man

as President Kim Il-song has never been found so far after the emergence of the earth and the start of human history and would not be seen in the future.

"Greeting his birth anniversary, I feel a strong yearning for the image of President Kim Il-song that had shone as the great sun for the Korean and the Egyptian people and all other peoples of the world," he said.

He expressed the firm belief that the Korean people would successfully implement the behests of the great president, under the leadership of his excellency Kim Chong-il, the respected supreme commander.

Kang Song-san Attends Film

SK1404001495 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 13 Apr 95

[FBIS Translated Excerpt] Sequels of the multi-part art film entitled "Nation and Destiny" have been continuously created as monumental masterpieces of the times under the guidance of our party.

In recent days, the Korean Art Film Studio has wonderfully created and released a film entitled "Working Class: Part 1" of the multi-part art film "Nation and Destiny" on the occasion of the great leader Comrade Kim Il-song's birthday.

Cadres of the party and the government watched this film at the People's Palace of Culture on 13 April.

Watching the film were Comrade Kang Song-san; Comrade Yi Chong-ok; Comrade Pak Song-chol; Vice President Kim Pyong-sik; Comrade Kim Yong-nam; Comrade Choe Kwang; Comrade Chon Pyong-ho; Comrade Han Song-yong; Comrade Kim Chol-man; Comrade Choe Tae-pok; Comrade Hong Song-nam; Comrade Yang Hyong-sop; Comrade Hong Sok-hyong; Comrade Paek Hak-nim; Comrade Kim Ik-hyon; Comrade Hwang Chang-yop; Comrade So Kwan-hui; Comrade Kim Hwan; Comrade Kim Pok-sin; Comrade Kim Yun-hyok; Comrade Yun Ki-pok; Comrade Pak Nam-ki; Comrade Chon Mun-sop; members and candidate members of the Central Committee of the Workers Party of Korea in Pyongyang; responsible functionaries of party and power organs, administrative and economic organs, and social organizations; general-grade officers of the Korean People's Army; anti-Japanese fighters; responsible functionaries of the scientific, educational, cultural, art, public health, media, and publication sectors; and professors and doctors. [passage omitted]

Party, Government Cadres See Film

SK1404045295 Pyongyang KCNA in English 0447
GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The Korean Film Studio successfully produced the first part on the working class of the multi-part

feature film "The Nation and Destiny" on the threshold of the birth anniversary of the great leader President Kim Il-song.

Premier of the Administration council Kang Song-san, Vice-presidents Yi Chong-ok, Pak Song-chol and Kim Pyong-sik and other party and government cadres appreciated the film at the People's Palace of Culture Thursday [13 April].

The film shows the unshakable faith and iron will of the Korean workers to uphold the party with increased steel production.

Mangyongdae 'Inundated' by Visitors

*SK1404054495 Pyongyang KCNA in English 0521
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—An endless stream of Korean people and foreigners is flowing to Mangyongdae on the occasion of the birth anniversary of the great leader President Kim Il-song.

It is inundated by 30,000 visitors on a daily average these days.

Mangyongdae about 12 kilometres southwest of the central part of Pyongyang is a time-honored place where President Kim Il-song was born on April 15, 1912, and spent his childhood.

His old home and historical relics are kept in their origin.

Every year, Korean people had visited Mangyongdae, greeting his birthday as an auspicious holiday.

This year, however, they are visiting Mangyongdae, greeting April 15 with bitter sorrow at his death and eager yearning for him.

So, the visitors see the precious historical relics preserved in Mangyongdae with particular feelings, recollecting the undying revolutionary feats performed by him for the Korean revolution and the world revolution.

They also express deep reverence for him and vow to accomplish the revolutionary cause of chuche at his behests.

In the past nine months after he passed away, more than 800,000 people of all strata, People's Army soldiers and school youths and children have visited Mangyongdae.

It has been also visited by more than 15,000 foreigners and over 5,000 overseas Koreans in this period.

Mangyongdae has become more beautiful thanks to the sincerity of all the people deeply revering President Kim Il-song.

Visiting Mangyongdae, working people, soldiers and school youths and children have planted there rare flowers and trees they carried from their places.

Hundreds of thousands of flowers and trees have been planted there since the president passed away.

Youth Visit Mangyongdae Home

*SK1404044095 Pyongyang KCNA in English 0434
GMT 14 Apr 95*

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The visit to the native home in Mangyongdae by youths and school children across the country took place here on Thursday [13 April] within the framework of a "Campaign of Visiting the Native Home in Mangyongdae" which is more briskly going on among youths and school children on the occasion of the birthday of the great leader President Kim Il-song.

Taking part in the visit were more than 2,000 youths and school children including the active working youths, students and children's union members selected from Pyongyang municipality and local areas.

The participants called at the statue of President Kim Il-song standing on Mansu Hill to lay a floral basket and make a bow.

Then, they started the march for visit to the Mangyongdae native home.

Carried in the van of the marchers were the banners of the great leader President Kim Il-song's portrait and the great leader Comrade Kim Chong-il's portrait.

In Mangyongdae, the marchers visited the native home where President Kim Il-song was born.

Through the "Campaign of Visiting the Native Home in Mangyongdae", they cherished deep in their mind the faith that President Kim Il-song is always with them and renewed the determination and will to add lustre to their country, their motherland under the leadership of Comrade Kim Chong-il.

In another development, a national meeting of school children on the virtues of President Kim Il-song was held at the Mangyongdae School Children's Palace on the occasion of his birth anniversary.

ROK Professor's Article Praises Kim Il-song

*SK1404112995 Pyongyang KCNA in English 1059
GMT 14 Apr 95*

[“We Are the Nation Blessed With the Sun”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA) - Kim Song-pong, a history professor of South Korea, published an article titled "We Are the Nation Blessed With the Sun", the Seoul-based radio Voice of National Salvation reported.

Our nation which was founded with Tangun as the ancestral father has surfaced as a great nation like the

sun since .. had President Kim Il-song, whose name and personality are shining as the sun, the author of the article says, and goes on:

Our nation could not realize its dream to be a nation blessed with the sun in any historical era. This historical desire of the nation could be realized after it was led by President Kim Il-song. He was the father of modern Korea and the father of the nation blessed with the sun who opened a new era of the nation by reviving our Tangun nation that had once been ruined.

Our nation revived thanks to the chuche idea founded by him, was liberated due to the anti-Japanese war waged by him and ushered in a new history of building modern Korea owing to his line of building the country on the basis of the idea of believing in the people as in heaven. And as he discovered the remains of Tangun, the ancestral father of the Korean nation, our nation can further exalt its history of five thousands of years, along with its modern history as the nation blessed with the sun in the world.

The Kim Il-song era which our nation has greeted was a glorious era which witnessed the birth of a new modern Korea, the birth of a new nation blessed with the sun.

The author continued:

It should be said that the history of five thousand years which began with Tangun was a history of the preceding age of the desire to live as the nation blessed with the sun whereas the history of modern Korea which started with President Kim Il-song is a history of the present age in which the dream of the nation blessed with the sun has been realized, I think. Ours is the nation that acclaimed President Kim Il-song as the sun of independence, he wrote, and continued:

The president was possessed of literary and military accomplishments and virtues outdistancing the knowledge of all the great men in the world, their military strategy and virtues. He devoted all that to the country and the nation and the independence of humankind.

Since it found the sun in the person of President Kim Il-song, our nation has drawn the attention of the world as a nation blessed with the sun; since it is led by General Kim Chong-il, another sun, it is in its prime as a nation blessed with the sun. The appearance of the nation blessed with the sun is precisely the looks of the two great leaders like the sun.

Our nation blessed with the sun is a dignified nation that throws its rays as a great star in the era of independence, a nation as attractive as a large flower garden in the era of independence, a nation with singlehearted unity, the supreme desire of humankind, and a nation that is being praised for noble human morality.

Ours is a nation that lives in an earthly paradise, the ideal of humankind.

After the appearance of the earth humankind has all along hoped for a world, where all the people live harmoniously on an equal footing and where benevolence is prevalent.

The centuries-old desire has come true in the DPRK where President Kim Il-song and General Kim Chong-il have pursued benevolent policies.

Led by General Kim Chong-il who represents President Kim Il-song, our nation promises well for the future.

General Kim Chong-il has risen as the sun of humankind and of the nation, who is carrying forward the cause of President Kim Il-song, the sun, as desired by the fellow countrymen.

General Kim Chong-il is the great sun of the present century, who has moved the world with great idea, worked world-startling miracles with great leadership and taken care of the universe with great virtues.

He has performed great exploits in the efforts to add lustre to our nation blessed with the sun, carrying forward the cause of President Kim Il-song.

The history of the nation blessed with the sun, which began with the Kim Il-song era, is shining more brilliantly with the rising dignity of the country in the Kim Chong-il era. From this point of view, our nation should be called Kim Il-song-Kim Chong-il nation in the present century, I think.

We have celebrated the birthday of Tangun Korea as the "National Foundation Day". Here I call for celebrating the birthdays of the two great leaders when the present history of the nation blessed with the sun began, as "The Holidays of the Sun". This is a thing that tallies with the human morality among other things.

The author of the article added that eternal and bright is the future of the nation blessed with the sun that is replete with prides along with the great august names of President Kim Il-song and General Kim Chong-il which are shining like the sun in the sky.

Anniversary of Kim Il-song 'Historic' Work Noted
SK1404111995 Pyongyang KCNA in English 1031
GMT 14 Apr 95

[*"Historic Work That Indicates Way of Advancing Socialism Under Banner of Chuche"*—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—Thirty years have elapsed since the great leader President Kim Il-song published his famous work "On Socialist Construction in the Democratic People's Republic of Korea and the South Korean Revolution."

He published the work when giving a lecture at the "Ali Archam" Academy of Social Sciences of Indonesia, on April 14, 1965.

The work dwells on the course of historical development of socialist construction in the northern half of Korea, and gives a comprehensive exposition of the establishment of socialist system in Korea and socialist economic construction, of the questions of establishing chuche firmly and of implementing the mass line and of the

South Korean revolution. It elucidates the lines and principles of the Workers' Party of Korea in socialist revolution and socialist construction and proud achievements and precious experience in the efforts to carry them into practice.

NODONG SINMUN today dedicates an article to this anniversary.

The article says the work of the great leader is a militant banner that should always be put up by the party and people in socialist construction and the noble struggle for national reunification and a very important guideline that indicates the road ahead of the revolutionary people.

For the truth and validity of its ideas and theories, the work is more and more attractive as the days go by, the article says.

The work is of great importance because it has enabled the party and people to advance the cause of socialism confidently along the road indicated by the chuche idea and because it made it possible to build a strong driving force of the revolution to push ahead with socialist construction successfully.

*Complex Follows Kim Il-song Economic Teaching

952C0094A Pyongyang **NODONG SINMUN** in Korean
19 Dec 94 p 2

[Article by Chon U-yong, responsible party secretary, 10 May Complex: "A Historic Work That Has Brought About Change in Economic Management Work"]

[FBIS Translated Text] It has been 30 years since the great leader Comrade Kim Il-song published his classic work "On Improving the Management and Operation of the National Economy by Heightening the Party Spirit and Class Character of Leading Functionaries."

This laborious work, published by the great leader on 19 December 1964, is a classic work that comprehensively clarifies fundamental problems involved in improving the management of the economy by enhancing the sense of responsibility and role of our functionaries in keeping with the new stage of development in the revolution.

Scientifically elucidated in this classical work are the theoretical and practical guiding principles governing ways to actively accelerate the process of revolutionizing functionaries and properly manage the economy, with the specific subjects covered ranging from matters relating to enhancing the party spirit of functionaries and improving their work methods to matters relating to raising the level of planning, vigorously pushing forward the technical revolution, improving labor administration, and frugally managing the national economy. The work has greatly contributed to the strengthening and development of the party and the revolutionary ranks

and to the acceleration of socialist economic construction, thanks to the truthfulness and justness of the theory and thought expounded in it. The triumphant victories and successes scored in socialist construction in the past 30 years clearly attest to the justness and vitality of this classical work.

The work, above all, has brought a basic change to the ideological and mental ethos of our functionaries and their styles.

The great leader Comrade Kim Il-song taught as follows: "Whether or not functionaries can excellently fulfill their assigned duties depends, in the final analysis, on their party spirit, class character, and people-mindedness."

Functionaries are the backbone of our party and members of the commanding personnel of the revolution. Success in the task to strengthen and develop the party and the revolutionary ranks and in socialist construction depends on how well functionaries are prepared and fulfill their responsibilities and roles.

In his work the great leader Kim Il-song stressed that having party spirit, working-class character, and people-mindedness is an important requirement for functionaries in fulfilling their missions and duties. The classical work gives the specific details of the tasks the functionaries should carry out to steel themselves in party spirit and fulfill their assigned duties with flying colors, and it spells out the pertinent methods and tasks such as: participating in organizational party life in earnest and stepping up criticism and self-criticism; studying harder to educate themselves ideologically and making conscientious efforts to subject themselves to party control; and giving priority to political work and implementing the mass line.

A great change took place in the ideological and mental features of our functionaries as they struggled, upholding the thought and tasks outlined in the classical work as the guiding principle.

With intense loyalty to the party and the leader, our functionaries are banded tightly together around the party and the leader in terms of moral obligation and are devoting themselves to the revolutionary struggle and construction under party leadership with a firm faith. Always keeping deep in their minds that there could be no valuable life or glory without the trust and love of the party and the leader, our functionaries are adorning every moment of their lives with loyalty and great exploits, with their destiny wholly entrusted to the party and the leader. This is exactly the noble mental and moral ethos of our functionaries today. This mental and moral ethos of our functionaries is manifesting itself fully in the practical struggle to defend and implement the party lines and policies and improve the people's living standards. All functionaries accept and embrace the party lines and policies in the spirit of absolutism and unconditionality and are successfully accomplishing the revolutionary tasks by going deep among the masses

and stirring up the revolutionary enthusiasm of the masses, sharing the same fate and fortune with them, in accordance with the call of the slogan "In the service of the people!"

We can find true functionaries everywhere—those faithful servants of the people who are magnificently translating the plans and intentions of the party and the leader into action and actively contributing to improving the people's living standards by giving full scope to their spirit of devotion in the execution of the party lines and policies, in the same manner as the functionaries of the Chonchon County Commercial Management Office and Maengsan County have done. It is because functionaries like these are devotedly guarding the posts of our revolution that our party is strong, that our wholehearted unity is unbreakable, and that there have been miracle after miracle, innovation after innovation.

The validity and vitality of the classical work are clearly manifested in the fact that the superiority of the socialist system in our country is given full scope and that prodigious successes have been made in socialist construction.

Economy is the material foundation of social life, and economic construction is one of the most important revolutionary duties of the working-class party and the state. Whether or not the working-class party and the state can successfully carry out economic construction depends, importantly, on whether or not the work of economic management and operation is carried out exactly in accordance with the intrinsic needs of socialism.

In his laborious work the great leader clearly outlined the directions and methods necessary to thoroughly implement our party's chuche-based socialist economic management system and methodology in all sectors of the national economy. The following tasks are an essential requirement for the proper management of the economy in the socialist society in which the masses have become the masters of the state and the managers of the national economy: To establish a thoroughgoing unified planning system; vigorously carry out the technical innovation movement as a full-fledged mass movement; implement proper job placement work; and step up indoctrination work among workers so that all of them may value the communal property and wage a vigorous drive for increased production and thrift.

Today our economy is daily demonstrating its mighty power while staunchly safeguarding its chuche character.

Currently, in our country the superiority of the socialist planned economy is manifesting itself distinctively and there are continual innovations and creations in socialist economic construction. With the thoroughgoing implementation of the party policy for the technical revolution and the rapid rise in the modernization and scientization level of the national economy, the might of our self-reliant economy has been consolidated still more and the independent and creative labor, material, and cultural

aspects of life have become more enjoyable and cultured. The triumphant path of socialist economic construction in our country strewn with creation and transformation, and the colossal monumental structures that have risen like mushrooms in this land are without exception the precious fruits of the sagacious leadership of the leader, and all of these have been made possible by the implementation of the thought and theory expounded in the classical work. No wonder all our functionaries, party members, and workers feel deep in their minds the greatness and preciousness of the immortal exploits of the respected and beloved leader, who early on, following the establishment of the socialist system, elucidated the most scientific thought and theory on properly managing and operating the socialist economy, as well as all fundamental tasks involved in the implementation of this thought and theory, and led our people in their implementation.

The validity and vitality of the theory expounded in the work of the great leader have manifested themselves at our 10 May complex as elsewhere.

As indicated in the work of the great leader, the factory party committee exerted great efforts to have functionaries give full scope to their strong sense of responsibility in the implementation of the party lines and policies and lead the masses by practical action.

Ours is a glorious historical factory which the great leader and the dear leader visited on many occasions and which was erected as a powerful mining equipment production base in the North. The factory party committee launched an aggressive organizational and political work for the purpose of inspiring the functionaries and producer masses to struggle for the implementation of the tasks outlined by the great leader and the dear leader during their on-the-spot guidance tours. In particular, the party committee grasped it tightly as its most important task to implement the dear leader's teaching given during his June 1968 visit to our factory on how to resolve difficult and arduous problems in the production of mining equipment in the revolutionary spirit of self-reliance, and saw to it that everything else was subordinated to this foremost objective. The factory sent its functionaries deep into the production site to explain and drive home to the employees the truth that practicing self-reliance is an important way of glorifying the leadership achievements of the party, and carried out a methodical task to inspire revolutionary enthusiasm and creative positiveness in them. Finding an important means for self-reliance in technical innovation, the factory party committee saw to it that the functionaries themselves made two or three innovative suggestions daily to feed the fire of the mass technical innovation movement throughout the factory by leading by personal example. At the same time, the committee kept tabs on all innovative initiatives as they were presented by functionaries and producers and actively backed them up so that they might actually be adopted.

The factory made the managers, party secretary, and chief engineer—the triad of the commanding staff—pool their efforts in one mind, and ensured unity and accuracy in the organization of production as well as in the exercise of their leadership. As a result, the factory introduced hundreds of technical innovation plans in production in timely fashion each year. These innovation plans have proved their worth and helped stabilize the production of mining equipment at a high level.

In the past period, through methodical work with technicians and skilled workers, the factory upgraded 13 heating furnaces and built fine bases for self-support capable of producing more than 40 kinds of raw materials and fuel by their own efforts. As a result, the factory is satisfactorily self-supplying much of materials and various measuring instruments indispensable in the production process, such as electrodes, drills, weld rods, and rubber goods, with its own products.

The factory overfulfilled its portion of the national economic plan by 22.7 percent last year, and in the current year, the first year of the buffer period, it has been overfulfilling its monthly plans so far while conserving over 6,200 tons of coal, 3.7 million kw of electricity, and 57,000 man-days of labor.

The experience of our factory shows that when functionaries aggressively tackle their jobs with intense party spirit, working-class character, and people-mindedness, exactly in accordance with the thought expounded by the great leader in his laborious work, and manage their enterprises in a responsible manner and actively implement the great leader's thought, they can bring about upsurges in production and construction and brilliantly implement the party's economic policy.

We will continue to take the lead in the implementation of the revolutionary economic strategy and add luster to the honor of our factory being a model of self-reliance by upholding the thought expounded in the great leader's classical work as our guiding principle and continue to implement it thoroughly as we did in the past.

***Development of Chong Chun-sil Movement Urged**

952C0091A Pyongyang NODONG SINMUN in Korean
12 Dec 94 p 1

[Editorial: "Let Us Make Greater Progress in Improving People's Living Conditions by Accelerating and Further Developing the Chong Chun-sil Movement"]

[FBIS Translated Text] The conference of pioneers of the Chong Chun-sil Movement, which gives a fresh momentum to socialist construction and the struggle for the improvement of our people's living standards, came to a close upon successfully accomplishing its task.

The just-ended conference of Chong Chun-sil Movement pioneers was a grand meeting of pioneers of the Chong Chun-sil Movement, a new form of mass movement in our country.

With a grand idea of radically improving our people's living standards through a thoroughgoing implementation of the party's revolutionary economic strategy, the dear leader Comrade Kim Chong-il had arranged the conference of Chong Chun-sil movement pioneers as a national conference of innovators and functionaries manning various posts in commercial service and other sectors directly involved in the efforts to improve our people's living standards, and he lucidly clarified problems involved in the acceleration and advancement of the Chong Chun-sil movement.

The grand conference of Chong Chun-sil Movement pioneers was a powerful demonstration of the new lofty ideological and moral depth of our functionaries and workers who are infinitely loyal to the party and the leader, as well as the sagacious leadership of our party, which has brought them up as heroes of our times and truly faithful servants of the people by lofty affection and faith.

The noble model of Comrade Chong Chun-sil is greatly stirring up the masses and now turning into a powerful mass movement which is truly conducive to the improvement of people's living conditions; and the conference proved that this was a precious fruit borne by the indefatigable efforts and energetic leadership of the dear leader.

The conference served as a historic momentum for bringing about a new turn in preparing functionaries and workers in commercial service sectors as truly faithful servants of the people and improving their living standards in conformity with the intrinsic nature of socialism.

The dear leader Comrade Kim Chong-il pointed out as follows: "Radically improving people's living standards is the most important priority task that needs to be done in economic work."

Radical improvement of people's living standards is the most important task in current economic construction. Only by improving people's living standards in a decisive way is it possible to bring about a new upsurge in socialist construction by giving full scope to the revolutionary zeal and creative positivism of the masses, to solidify the wholehearted unity of our society, and to bring the superiority and might of our way of socialism into full play.

Today the ranks of the Chong Chun-sil Movement pioneers are devotedly striving for the good of the people by upholding the desire and determination of the party, and their number is increasing constantly, while the struggle to provide a more affluent and cultured life for our people is proceeding as a societywide mass movement. This is something of which we are proud.

At this juncture, to accelerate and advance the Chong Chun-sil Movement is a rewarding task to make great strides in socialist construction and in the struggle to

improve people's living standards by implementing the lifelong wishes and last teachings of the departed fatherly leader.

Cherishing deep in their hearts the dear leader Comrade Kim Chong-il's noble idea and desire to bring about a new turn in the livelihood of the people, through an acceleration and advancement of the Chong Chun-sil Movement, all functionaries and workers in the commercial service sectors must launch into this movement.

What is important in bringing about a new turn in the people's livelihood by vigorously pushing forward the Chong Chung-sin Movement is, above all, for functionaries and commercial service workers to have a firm determination to carry out to the end whatever task the dear leader Comrade Kim Chong-il wishes and wants, no matter how difficult it may be.

Loyalty to the dear leader forms the core of the Chong Chun-sil Movement and represents the primary ideological-moral ethos of Chong Chung-sil Movement pioneers.

Functionaries and commercial service workers must become loyalists who firmly believe that whatever tasks the dear leader Comrade Kim Chong-il intends or wants are the direct calls upon themselves to tackle in life, and who think and act in accordance with these calls.

Functionaries and commercial service workers must have an unshakable conviction that the path indicated by the dear leader is at once the path to glory and victory and that only if they only follow the party's intentions and plans can they provide a more affluent and happier life for the people, and with this conviction, they must staunchly fight on. With the heightened awareness that he who is actually contributing to the improvement of people's living standards is a genuine loyal servant and true patriot, all functionaries and workers in commercial service sectors must thoroughly orient whatever thinking they do and whatever step they take toward the struggle to realize the dear leader's ideas about effecting a turn in people's living.

To have the right point of view of serving the people and to work strenuously for the happiness and good of the people is an important requirement for our functionaries in accelerating and advancing the Chong Chun-sil Movement.

Our party's militant slogan "In the service of the people!" is a maxim that guides our functionaries and commercial service workers, who are charged with the responsibility of looking after the people's livelihood, in life and struggle. The experience in the Chong Chun-sil Movement shows that only those in whom the spirit of devoted service to the people has been assimilated as part of their system can jump into fire and water, if necessary, to solve whatever problems exactly in the way as intended by the party, and contribute to the improvement of people's living conditions in a substantive way.

Functionaries and commercial service workers should always go deep among people to ascertain what they want and be always on the go in order to meet their daily increasing demands in life in a timely fashion by thoroughly implementing party policies on dealing with major problems.

Our functionaries and commercial service workers must not try to choose between easy and hard tasks, clean and grimy work, nor hesitate to walk down a rugged road if necessary, finding their reward in difficult tasks as servants of the people. Our functionaries and commercial service workers must learn from the examples of the Chonchon County Commercial Management Office and the Maengsan County functionaries and demonstrate their ethos of working strenuously for the good of the people by working like a jack-of-all-trades and doing everything as occasion calls for, working as a farmer, a ranch hand, a designer, or a truck convoy escort. All functionaries, including responsible functionaries in the committees and ministries of the State Administration Council and those at the provincial, municipal, and county levels, must not hesitate to negotiate rugged mountains and to cross deep rivers, and to work hard for the good of the people with beads of sweat of loyalty on their brows, and to become functionaries who are respected and loved by the people through their practical struggle.

To bring about a new turn in the people's livelihood through an acceleration of the Chong Chun-sil Movement, our functionaries and commercial service workers also need to give full scope to the fighting spirit of solving all problems concerning the living standards of people in their respective counties and areas by their own efforts and on their own responsibility, in the revolutionary spirit of self-reliance.

The revolutionary spirit of self-reliance is our party's philosophy of revolution and the banner of victory for our way of socialism.

The Chong Chun-sil movement is a movement for self-reliance aimed at overcoming all barriers and obstacles and implementing the party-assigned policy tasks to the end by our own efforts with the attitude and from the viewpoint as befitting the masters of the revolution. The staunch fighting spirit and ethos of Chong Chun-sil Movement pioneers—the spirit of breaking through any barriers and obstacles by their own efforts, getting up again each time even if they should fall a hundred times, and fighting on—serves as a fine example for all our functionaries and commercial service workers.

Based on a scientific insight into the actual state of socialist construction in our country and the ever-increasing demand of the people in life, the dear leader Comrade Kim Chong-il has outlined programmatic tasks to radically improve the people's living standards by heightening the role of the county. Embodied in the tasks are the infinitely lofty desire of the dear leader to provide

a more affluent and cultured life for our people by bringing the wishes of the departed leader into full bloom.

The experience of the Chonchon County Commercial Management Office and that of Maengsan County show that when functionaries and commercial service workers aggressively tackle problems concerning the living conditions of the residents in their respective counties, they can excellently resolve as many problems as there are by their own efforts.

As part of the current rewarding struggle to improve the people's living standards through the implementation of the party's revolutionary economic strategy, functionaries and workers must wage a vigorous drive to constantly increase production by making the most of inner reserves and productive potential in their respected sectors and areas. If everyone racks their brains and makes earnest and persistent efforts, they can turn adversities into advantages, seek out more raw material sources, and drastically improve the people's living conditions everywhere, be it a mountainous, level, or coastal area. Functionaries and commercial service workers must solve problems concerning people's livelihoods by their own efforts in their respective areas and sectors under whatever circumstances, while seeking out raw material sources and making the most of available reserves by giving full scope to the revolutionary spirit of self-reliance and the work style of leading by personal example. Functionaries and workers must strive to better solve problems involving fuel, power, and raw materials by their own efforts, by waging a vigorous technical innovation drive and satisfactorily meeting the increasing demand of the people in their daily lives by modernizing technical equipment and turning out more useful goods of better quality.

The role of party organizations must be enhanced in order to bring about an epochal turn in people's living through an acceleration of the Chong Chun-sil movement.

To train a greater number of truly faithful servants like Comrade Chong Chun-sil is an important duty of party organizations, and success in the fulfillment of this duty depends on how party organizations tackle their organizational work methodically.

Grasping the Chong Chun-sil Movement as a party committee-wide task, party organizations must actively push forward this movement in close conjunction with the movement to win the red flag of three revolutions, and wage this movement vigorously with emphasis on turning out more Chong Chun-sil Movement model units and Chong Chun-sil Movement pioneers. In particular, the responsible functionaries of municipal and county party committees must keep engraved in their hearts the party's determination to raise a greater number of truly faithful servants of the people like Comrade Chong Chung-il, and carry out this task in a consistent manner, actively assisting and leading all

functionaries and commercial service workers so that they may fulfill their responsibilities and inherent duties as faithful servants of the people.

Party organizations should carry out in various forms and by various methods the task to popularize the successes and experiences already gained in the course of waging the Chong Chun-sil Movement so that this movement may be thoroughly converted to a movement of the masses themselves. Party organizations thus should make our people's lives more affluent and cement the kindred relationship between the party and the people into an unbreakable one, by turning out a greater number of loyal subjects and filial daughters, like Comrade Chong Chun-sil, in all areas and sectors precisely in the way the departed fatherly leader had wished in earnest.

Let us all keep on glorifying our way of masses-centered socialism by upholding the party's determination and accelerating and further developing the Chong Chun-sil Movement.

South Korea

U.S.-DPRK Talks Conclude; To Resume 18 Apr
SK1304224195 Seoul KBS-1 Radio Network in Korean
2200 GMT 13 Apr 95

[By correspondent Yi Myong-ku from Berlin]

[FBIS Translated Text] The U.S.-North Korea expert-level talks in Berlin on the light-water reactor issue concluded early this morning. At the last plenary session held at 0100 this morning [1600 GMT 13 April] in a detached building of the U.S. Embassy in Berlin, the delegations from both sides decided to conclude the talks for the time being.

It has been learned that the sides agreed to resume the talks on the afternoon of 18 April, after the 15 April Kim Il-song birthday celebrations of North Korea and the Easter holiday of Western society.

Kim Chong-u, head of the North Korean delegation and vice chairman of the External Economic Committee, said this following the last plenary session that lasted about an hour and 40 minutes, but avoided mentioning any progress in the negotiations.

Originally, the talks were supposed to continue until the afternoon of 14 April.

State Department Cited on Talks

SK1404021595 Seoul YONHAP in English 0206 GMT
14 Apr 95

[FBIS Transcribed Text] Washington, April 13 (YONHAP)—The U.S. State Department confirmed that the expert-level talks held in Berlin between the United States and North Korea were adjourned Thursday.

The U.S. delegation, led by Gary Samore, deputy director for Nonproliferation of the State Department, is on its way back to Washington to consult with the government over the weekend and will return to Berlin Monday to continue the discussions.

Nicholas Burns, a U.S. State Department spokesman denied allegations that a disagreement caused the adjournment.

"There's no reason to think it's bad. It's consistent, in fact, with what happened during the last round of talks. We had a very good and full exchange with the North Koreans," the spokesman affirmed. "It is a recess, not a cancellation of the talks."

Burns elaborated on the progress achieved in the third round of talks, explaining that after an initial plenary session the delegations formed subgroups, "technical groups," and resumed the talks in that capacity.

When asked about various press reports claiming that the North Koreans have threatened to restart their graphite-moderated reactor program, Burns stated that there was no indication of that action, but admitted he was speculating due to a lack of information from the delegation.

The two sides "mutually agreed" to a recess. Talks were underway for only one day before the decision was made.

Seoul Considers Outcome Positive

*SK1404092595 Seoul YONHAP in English 0905 GMT
14 Apr 95*

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—South Korea considers the outcome of the just-concluded Berlin nuclear talks between Pyongyang and Washington positive, as North Korea wanted to continue the talks, although the North actually did not make any proposals that could be considered new with regard to South Korea playing a central role in the reactor project, according to a senior Foreign Ministry official Friday.

Briefing reporters on the result of the Berlin talks which ended prematurely Thursday, the official who wished to remain unnamed said that the United States agreed to adjourn the Berlin talks because it needed time to consult with South Korea and Japan on the real intentions of the North on the type of nuclear reactors to be provided and on the bottomline behind the variety of proposals made by the North during the talks.

"I cannot reveal the contents of the talks which just ended in Berlin because North Korea has failed to present any clear-cut proposals on the type of reactors to be provided to North Korea and terms of provision of the reactors," said the official.

"They made a lot of proposals on which the United States needs to consult with South Korea and Japan,"

said the official. "They, however, did not reach the level which South Korea has in mind."

By that he meant that no proposals met the demands by South Korea that South Korea must play a central role in the construction of the two light-water reactors for North Korea and that the North should accept South Korean reactors.

He said that one of the issues at stake is "to what extent the reactors should be redesigned", strongly supporting reports that North Korea proposed that it is ready to accept South Korean-made reactors if they are redesigned.

The official also said that "it is a practice to make some modifications to the reactors to get them adjusted to the reactor site."

The official did not want to respond to questions concerning the reports that North Korea accepted South Korea's central role in designing, producing and constructing the reactors if an American firm becomes the main contractor for the reactor project, just saying that issue will be closely examined during the next round of Berlin talks.

He, however, did not agree to the allegation that the Berlin talks ended one day ahead of the three-day schedule because the North made some breakthrough in making new proposals.

"North Korea actually proposed nothing new but we needed time to tackle the strategy of the North and the Easter holidays also served as a factor to end the talks prematurely," said the official.

"The American delegation to the meeting is returning to Washington for further consultations with the U.S., South Korean and Japanese Governments but the North Korean delegation will remain in Berlin, apparently because of lack of air transportation to Pyongyang for the coming days," he said.

Foreign Ministry Official on Talks

*SK1404054995 Seoul YONHAP in English 0541 GMT
14 Apr 95*

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—North Korea has failed to come up with new proposals at the latest expert-level nuclear talks with the United States but South Korea wants to continue them as the North does not want to end them, a South Korean Foreign Ministry official said Friday.

"They have just changed some of the language during the talks without proposing anything new in actuality," said the official. "North Korea and the United States, however, will meet again next Tuesday in Berlin after consulting with each of their home governments."

He predicted that the forthcoming meeting slated for Tuesday will be held between working-level officials,

saying that there's no time to arrange for any other form of talks other than at the working-level, similar to the ones adjourned Thursday in Berlin.

He, however, did not rule out the possibility that the two sides will hold talks at a higher level, between North Korea's Foreign Minister Kang Sok-chu and American Nuclear Ambassador Robert Gallucci, for political settlement of the issue.

South Korea will discuss the contents of the Berlin talks with the United States and Japan via telephone as representatives from the three nations do not have enough time to get together for discussion before the Berlin talks reconvene next Tuesday, said the official.

North Koreans proposed that they will accept a limited South Korean role in designing, fabrication and construction of nuclear power plants to be provided to North Korea, according to the official.

He, however, added that South Korea cannot accept the proposal from the North because it basically denies South Korea a central role in the North Korean light-water reactor project by allowing South Korea a limited access to reactor designing.

North Korea actually threatened to reload the spent fuel rods at its 5 mega-watt experimental nuclear power plant at the early stage of the talks in Berlin, the official said, adding that the threat, however, did not dominate the overall atmosphere of the talks.

"What matters is that North Korea has failed to present any proportion of South Korea's role in the designing of the reactors for North Korea," said the official. He said that South Korea cannot accept that because the North still wants South Korea to take part in the reactor project as a subcontractor.

South Korea will have to fully design the reactors to become the main contractor for the project, said the official.

'Dramatic Compromise' Said Possible

SK1404045995 Seoul YONHAP in English 0453 GMT
14 Apr 95

[FBIS Transcribed Text] Berlin, April 13 (YONHAP)—The United States and North Korea agreed to adjourn their expert-level talks on North Korea's light-water nuclear reactor project Thursday [13 April] and to resume them next Tuesday after having consultations with their respective governments.

The scheduled date for ending the talks was Friday, April 14, but it appears to have been changed because there may be a possibility of reaching a dramatic compromise following a cooling-off period, though their stances outwardly differ so much that no breakthrough is expected.

The two delegations agreed to suspend the talks until next Tuesday in a plenary session that lasted for one and

a half hours starting at 6:00 PM Thursday. The main meeting was preceded by small-scale sessions that dealt with clarifying questions to matters that were discussed at earlier exchanges between them. The plenary meeting reportedly discussed mainly the schedule and format of future discussions rather than the substance of a light-water reactor supply contract.

The two sides failed to iron out the sharp differences between North Korea's insistence that South Korea be allowed to play only a limited role in the North's light-water reactor project and the United States' stance calling for the supply of reactors to the North to be South Korean-made light-water reactors and for South Korea to play a central role in the reactor project.

But North Korea displayed a strong desire to resolve major issues still pending in the light-water reactor supply project by prolonging the process of the negotiations, a source close to the talks said.

The United States' negotiators agreed to adjourn the talks partly due to their belief that the North Korean's interest in resolving the differences is high, according to the source.

The U.S. delegation will reportedly return here from its trip home next Tuesday morning after holding consultations with South Korea and Japan as well as its home government.

The United States is reportedly set to continue the experts' talks even after April 21, the target date for concluding a light-water reactor supply contract.

North Korea, however, has threatened to initiate preparations to resume the operation of the 5-megawatt atomic reactor at Yongbyon if no substantial progress is made by the April 21 deadline in the light-water reactor supply contract, sources said. The North Korean threats are inferred to mean they will refuel the atomic reactor.

Pyongyang reportedly stuck to its position at the experts' talks this time saying that the United States should take charge of the light-water nuclear reactor project in the north, with South Korea playing a secondary role. The North maintained that it can accept South Korea's participation only in the fabricating and construction of the reactors, and that the United States should be responsible for their designing and management of the project.

But the Americans conveyed to the North Koreans a firm stand that no North Korean proposal can be negotiated unless the North accepts South Korean model light-water reactors and explicitly recognizes that South Korea must play a central role, according to the sources.

In the meantime, chief North Korean delegate Kim Chong-u, vice chairman of the External Economy Commission, declined to comment on the issues discussed at the plenary session Thursday, but said all would be

revealed once the negotiations are over. He thus indicated that North Korea will expound upon its position through either a statement or press conference.

Correspondent Assesses Talks

SK1404043695 Seoul SEOUL SINMUN in Korean
14 Apr 95 p 2

[Correspondent Pak Chong-hyon in Berlin]

[FBIS Translated Text] The North Korean-U.S. experts' meeting to discuss the provision of the ROK-model light-water reactors, is expected to end on 14 April. Therefore, it became inevitable for high-level talks between U.S. Nuclear Ambassador Robert Gallucci and DPRK Vice Foreign Minister Kang Sok-chu to be held in Geneva in order to reach a breakthrough in the stalemated light-water reactor negotiations. The talks are expected to be held around 21 April, which North Korea set aside as a target date for the signing of the agreement on the supply of light-water reactors and for the resumption of the operation of its nuclear facilities.

It has been learned that while North Korea and the United States suspended the scheduled 13 April panel meeting between the delegations to await further instructions from their home governments, the working delegates held contacts to discuss the timing of the Geneva high-level talks.

A diplomatic source in Berlin said, "The two sides will probably conclude the experts' meeting with the 14 April morning meeting. However, we do not know how the negotiations will develop in the future."

In this connection, observers think that North Korea is sticking to its stance that the high-level talks should be held prior to 21 April which is the deadline it has set for the signing of the agreement on the supply of light-water reactors, and that the United States is maintaining its position that the high-level talks should be held after 21 April in view of its schedule.

Government Said Blocking Resolution on Reactors

SK1404043695 Seoul CHOSON ILBO in Korean
14 Apr 95 p 3

[Editorial: "Why Does the Government Block Passage of 'A Resolution on ROK-Style Reactors'?"]

[FBIS Translated Text] It has been learned the government is dissuading the National Unification-Foreign Affairs Committee of the National Assembly from adopting a resolution on supplying ROK-style light-water reactors to North Korea. According to a news report, the Democratic Liberal Party has pushed for the adoption of "a resolution supporting ROK-style light-water reactors," but the government has said it is not quite necessary to do so because the moment is not

opportune and because the National Unification-Foreign Affairs Committee adopted a similar resolution in September 1994.

We have no idea as to what the real intention of the government is. However, we are disappointed and even infuriated at the government's "carrot-giving-style" approach. In view of the circulating rumor and pertinent government officials' attitude, we cannot help but deplore that the government is once again committing an error with regard to its policy on the North Korea nuclear issue.

In recent days, either in their testimonies at the National Assembly or in their negotiations with U.S. officials, government officials concerned have been showing an ambiguous attitude of "flexibly coping with" the question of light-water reactors on the one hand, even while they emphasize our "central role" on the other. At this point in time, even though the designation of the light-water reactors is the focal point, some government officials are talking about "flexibility" rather than emphasizing the designation of the reactors. Under these circumstances, it is obvious the North will not abandon this chance.

So far as the question of light-water reactors is concerned, the only choice is that we will foot the bill if the North accepts our reactors, otherwise we will keep our hands off. This results from North Korea rejecting ROK-style light-water reactors, not merely because North Korea is mindful of the possibility it will lose face if it accepts ROK-style light-water reactors, and not merely because it is afraid of the possibility that its residents will be contacted by and exposed to the outside world, but because North Korea has a dark design to exclude the ROK from future discussions on issue concerning the Korean peninsula. If we make concessions again, we will forever be placed in a subordinate position in connection with questions on the Korean peninsula.

It is only too natural that the National Assembly should play its own part with a view to preventing such a situation from occurring. If the National Assembly backs down because the government is dissuading it from doing what it ought to do, then such a National Assembly is no different from a handmaiden of the government. If it is not the National Assembly in an authoritarian era, the National Assembly should fulfill its mission as a legislative branch in terms of charting the direction of the government.

The government claims that at the moment it is not quite necessary to adopt a resolution because the National Unification-Foreign Affairs Committee adopted a similar resolution in September 1994. Such logic makes us believe the government does not know about the main point of the question regarding the light-water reactors, nor does it perceive the importance of the National Assembly's adoption of a resolution. Last year's resolution was one of principle that emphasized the ROK's leadership over the light-water reactor issue. But now

more specific matters, such as the designation of the light-water reactors, are being discussed. Accordingly, the National Assembly should discuss adopting a resolution containing more specific contents; for example, a resolution specifying that "we cannot foot the bill if the light-water reactors are not ROK-style and if the ROK is not given a central role." In addition, it is also necessary to adopt a resolution at the plenary session of the National Assembly, while not satisfied merely with the adoption of a resolution at the National Unification-Foreign Affairs Committee, then announce to the entire world the will of the ROK citizens toward this question. The only way to settle the nuclear issue in dealing with the North is to press ahead in a consistent manner on the basis of relevant principles.

Seoul Plans To Resume Tripartite Talks on North
SK1404072895 Seoul CHUNGANG ILBO in Korean
14 Apr 95 p 1

[By Kim Song-chin]

[FBIS Translated Text] The ROK Government has decided to resume tripartite discussions with the United States, and Japan in a few days to work out a new negotiation strategy on talks with North Korea. Even though the expert-level talks between North Korea and the United States on the light-water reactors are in recess due to disagreements, the ROK Government interprets North Korea's attitude shown in Berlin as a willingness to continue with the negotiations.

A relevant ROK Government official said on 14 April that "unlike in previous talks, North Korea made a new proposal recognizing the ROK participation in the design, production, and installation of the reactors. However, from our point of view, which adheres to the ROK's central role, it is not a new alternative."

The official added: "North Korea is showing a delicate change of position in every meeting. At present, we do not believe that North Korea wants to break up negotiations."

Considers Existing Strategy

SK1404104895 Seoul YONHAP in English 1042 GMT
14 Apr 95

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—The South Korean Government plans to re-check the existing strategy toward the light-water reactor issue with the United States and Japan as the U.S.-North Korea reactor experts meeting in Berlin is set to resume on next Tuesday.

A diplomatic source said Friday Seoul is working on a flexible way to help provide a breakthrough in the reactor talks as North Korea displayed a little advanced overture at a recent Berlin meeting by accepting South Korea's participation in the design of reactors.

At the talks, however, the United States and North Korea sharply differed as ever on the controversial issue of selecting a model and a main contractor, the source said.

"The new North Korean plan contains some forward-looking contents though it shows no basic change in their existing policy," he said.

Under the circumstances, the source said, the government plans to contact the two allies by telephone to find out the true intent of the North Koreans and to work out steps to cope with the new North Korean posture.

Seoul may express in the contacts the willingness to be more flexible toward the name of the reactors to be provided to North Korea in the event North Korea in effect accepts a South Korean model as well as South Korea's leading role in the reactor project, the source said.

Article Links U.S. Arms Industry With ROK

SK1404084595 Seoul SISA JOURNAL in Korean
20 Apr 95 pp 17-19

[Article by reporter Kim Pang-hui: "ROK Under the Shadow of U.S. Weaponry—'Crisis on the Korean Peninsula' Is a Feast for U.S. Munitions Companies, and the United States Stresses Threats from the North in Encouraging the ROK To Buy More Weaponry"]

[FBIS Translated Text] Merrill-Lynch, which boasts that its analysis capabilities are of the same caliber as the U.S. CIA, released a report entitled "North Korea and Stocks of the Munitions Industry" in late March 1993, and in June 1994, when a sense of imminent war was heightened on the Korean peninsula. The extensive report, which quoted pertinent data of the U.S. Defense Department and remarks by pertinent officials, is noteworthy in that relations between a rumored crisis of war on the Korean peninsula and the U.S. munitions industry, were closely examined for the first time.

The report posits: The conflicts between the United States and North Korea regarding the North Korean nuclear problem will be resolved peacefully, but some tensions will remain. This report's prediction appears to be correct since tensions are now heightened on the Korean peninsula with regard to the supply of light-water reactors, even after a peaceful resolution of the North Korean nuclear problem appeared imminent following the November 1994 U.S.- North Korea agreement in Geneva.

Merrill-Lynch predicted that the antiballistic missile system of the U.S. munitions industry would receive much attention. Munitions companies involved in working on this system are: Raytheon, which is well known for the Patriot missile; Lockheed, the leading contractor for the manufacturing of the theater high-altitude aerial defense (THAAD) system; and Loral

Corp., which is developing the extended-range interceptor missile (ERINT), an antiballistic missile which uses Patriot launchers and is cheaper than the THAAD system. Both the ROK and Japan are very interested in this system because they are under the threat of North Korean missiles. The ROK has no antiballistic missile capability. Japan is producing Patriot missiles under license and operates 24 launchers. However, Japan only has old PAC1 models designed to intercept aircraft.

The report pointed out that if tensions remain, a weapons market will be created from the rising need of the ROK to build up its defense capabilities against North Korean equipment. Good examples are submarines and the tactical information gathering and target tracking system, whose capabilities were confirmed during the Gulf war. These weapons systems are necessary because they are capable of deterring 25 large submarines and 50 small submarines. In addition, there may be demand for smart bombs because the weather is capricious on the Korean peninsula. North Korea reportedly has approximately 200 AN2 transport planes, which North Korea uses as a major means of transport for its irregular forces. Weapons that can easily check transportation, which even radars cannot detect easily, may possibly come into the spotlight. The civil war in Yugoslavia showed that it is not easy to shoot down AN2's with antiair missiles.

If a war suddenly breaks out on the Korean peninsula, what will happen to the U.S. munitions industry? It will probably enjoy a remarkable sales boom. In particular, Merrill-Lynch predicts that the sales volume of Raytheon, Loral, (Erint), and other companies that produce missiles, ammunition, canons, and other expendables will increase by over 10 percent.

According to this stock company's analysis, the first week of a war will be of particular importance to the future of the U.S. munitions industry. That is to say that if the North Korean Army fails to occupy major facilities within this period, the U.S. Government will be able to push ahead with a more drastic reduction of its national defense budget. From a long-term perspective, this will deal a deadly blow to U.S. munitions companies.

What the U.S. munitions industry is most concerned about is a situation in which the crisis on the Korean peninsula is resolved so that the North Korean military threat virtually disappears. In this case, an important factor for maintaining the U.S. defense plan since the end of the Cold War will vanish; consequently, the U.S. Government is likely to have to curtail its defense budget more drastically. In addition, it is possible that the United States will conduct an overall review of its plans on providing military supplies to the ROK, which may result in a delay in the ROK's plan to modernize war equipment. This is the worst scenario for U.S. munitions firms.

However, this analysis notes that, although tensions on the Korean peninsula are aggravated to a certain extent, the U.S. munitions industry is not likely to earn great

profits because it appears unlikely that the United States will increase its defense budget even in that situation. The stock company's outstanding analysis capabilities is shown in the following quote:

"The USFK and the ROK Army seem to be superior to North Korea in conventional arms. Accordingly, we feel that it is less likely for the situation of the U.S. munitions industry to fundamentally change even if tensions between South and North Korea are aggravated to a certain extent. The U.S. Defense Ministry officials in charge of drafting defense plans assume that even if a war takes place on the Korean peninsula, it will not exceed approximately 90 days. This assumption makes us believe that there will be no durable change in overall U.S. national defense expenditures."

This analysis provides a clue to the answer to the following question that is wandering like a ghost in ROK society: "Who will gain the most in the event of a war on the Korean peninsula? The war crisis on this land is probably a conspiracy created by the potential beneficiary."

This concept of regarding the U.S. munitions industry as the ringleader creating the war crisis on the Korean peninsula has no clear basis. So, this sentiment of the ROK people has never been formalized. However, the ROK people have constantly adhered to this idea, which has become habitual to them. Like all other information that passes word of mouth, this concept is acknowledged by people as being more truthful.

In the South-North working-level talks in March 1994, the North Korean delegation remarked about a "sea of fire in Seoul" at the negotiation table, causing the talks to come to a rupture, creating a grim atmosphere, and amplifying the war crisis. One questions whether the North Korean delegation's remarks were merely by chance. North Korea was able to hold negotiations on the nuclear issue directly with the United States following this incident, and alienated the ROK and the International Atomic Energy Agency. Conspiracy-related rumors circulated at that time, as is usually the case. The rumors suggested that the United States was enjoying or even encouraging the North Korean threats. In short, the ROK people's sentiment was that the U.S. munitions industry was trying to make a profit by actively using the war crisis on the Korean peninsula.

Moreover, the U.S. munitions industry has already undergone structural changes. The United States does not need to be prepared for large-scale wars to the extent required during the Cold War with the Soviet Union. Therefore, continued, large-scale reduction in defense expenditures is inevitable. Under the five-year defense budget reduction plan which the Clinton Administration released last year, the U.S. defense budget will decrease to two percent of the U.S. GDP. The defense budget once comprised up to nine percent of the GDP, when the munitions industry boomed. Well aware of the decline in profits, the U.S. munitions industry must be considering measures for reviving the industry through local wars.

The aforementioned professor who demanded anonymity asserts, "The most problematic point in stressing the possibility of a war on the Korean peninsula in connection with the revival of U.S. munitions industry is that most people accept it wholly, although there are no grounds for substantiating it." Is the so-called threat from the North simply the outcome of the fear of war which was the cause for much suffering by the ROK people in the past? How does one explain the fact that whenever clouds of war loom over the Korean peninsula, talk of importing U.S. weapons abound and reports on the ROK purchasing U.S. weapons become rampant?

Since March 1993, when North Korea announced the withdrawal from the Nuclear Nonproliferation Treaty, the United States has been bent on deploying and selling conventional weapons to the ROK. Citing the need to reinforce military strength of the U.S. Forces Korea [USFK], the United States deployed Apache helicopters and three battalions of Patriot missiles in 1994. The United States then deployed 150 new M1-A1 Abrams tanks for the USFK 2d Division, and is planning to deploy an additional 140.

At the same time, citing the need to encertain a smooth supply of ammunition to operational areas near the truce line, the United States revealed plans to deploy 93 Bradley combat vehicles. Moreover, the ROK Government is considering purchasing an airborne warning and control system, the most expensive munitions equipment, in addition to the Patriot-type surface-to-air weapons. (See pages 22-23.)

Early this year, U.S. Assistant Defense Secretary Joseph Nye mentioned the threat of the 1.1 million-strong North Korean Army troops and conventional weapons deployed near the truce line and stressed the need to increase the ROK's share of expenses for the USFK's presence. He stated, "Unlike Japan which is a maritime power and falls under the threat of a long-range missile attack, the ROK falls under the threat of North Korean conventional weapons, and needs antitank weapons, antiaircraft guns, and radars."

U.S. Defense Secretary William Perry, who once served in a munitions company, stressed, "We will need more funding to build up the USFK if a crisis similar to that of June 1994 occurs again." His remark could be interpreted to mean that since the danger of war is greater than previously considered, the ROK should buy U.S. weapons to prepare for it.

The crisis situation on the Korean peninsula is closely linked to the U.S. munitions industry which practically monopolizes the world's conventional weapons market with its made-in-U.S.A. products. The Merrill-Lynch analysis clearly states: While the continuing crisis on the Korean peninsula with the North and the South in confrontation may not be able to fundamentally revitalize the U.S. munitions industry, it can provide an affluent feast table for some time to come.

U.S. Munitions Industry's Weapons Sales Viewed
SK1404065395 Seoul SISA JOURNAL in Korean
20 Apr 95 p 20

[Article written by an unnamed reporter: "U.S. Munitions Industry Is Achieving Breakthrough on the 'Sales Front' Through Mergers and Exports"]

[FBIS Translated Text] Last year, Lockheed Aircraft Corporation, a leading U.S. munitions manufacturing enterprise, made an unprecedented proposal to the U.S. Air Force authorities. The corporation proposed to drop the price of F-16 fighters—a main product of this corporation prized at \$23 million each (about 18.4 billion won in Korean currency)—by more than 13 percent. It is a matter of course for an enterprise to reduce the price of its products that do not sell well. But, it had been a practice for the munitions industry—which largely depends upon the government's purchasing contracts—to make up for its deficits by raising the price of products, if production decreases.

Lockheed's proposal, which broke away from such a practice, was a desperate measure not to reduce the number of its employees, a phenomenon which had resulted from the reduced production of F-16 fighters. Once in the past, with the payroll of 30,000 employees, Lockheed produced a yearly high record of 300 F-16 fighters on average. But, now, the corporation's 13,000 employees are producing only an average of 75 such fighters a year. Moreover, the U.S. Air Force has decided to no longer purchase such a fighter model beginning in 1995. Ultimately, Lockheed's proposal was not accepted.

Lockheed's unprecedented strategy of a department store-style bargain sales clearly shows the reality facing the U.S. munitions industry burdened with a task to restructure its organization. According to the predictions made by the U.S. Department of Labor and the relevant industry, the number of employees working in the U.S. munitions industry has decreased by about as many as 1.1 million people from 1987 to the present day; and it appears that there will be another reduction of about 700,000 employees during the next three years, too. The scale of the U.S. Department of Defense's budget for the development of new weapons has hit a record low since 1950.

"They Are Selling Weapons Just Like They Sell Automobiles"

Under these circumstances, the survival strategy, which the U.S. munitions industry is employing, is the sales and mergers. This survival strategy is widely accepted by the enterprises in the industry. Moreover, the U.S. Department of Defense has encouraged mergers of the relevant enterprises in the munitions industry since 1987. As a result, in late 1992, Lockheed emerged as the largest enterprise in the munitions industry by taking over the fighter production division of the General Dynamics Corporation. Again in August 1994, Lockheed took the initiative to realize the largest-ever business

merger in the history of the munitions industry. Lockheed was born again as the Lockheed-Martin Corporation with the merger of Martin-Marietta Corporation, another enterprise in the munitions industry.

In April 1994, Northrop merged with the Grumman Corporation; and this year, the Lorel Corporation purchased the munitions production division of the Unisys Corporation. Also, the (Raytheon) Corporation, which has developed Patriot missiles, has purchased the E-Systems Corporation, an enterprise producing electronics systems for military intelligence reconnaissance purposes. Experts in the munitions industry are predicting that the number of enterprises in the munitions industry will inevitably continue to be reduced, because the Department of Defense budget is being continuously decreased and because the budget for the development of new weapons is being reduced to the lowest level since 1950.

Another survival strategy for the U.S. munitions industry is to turn its eye toward the overseas markets. In 1986, the U.S. share in the world's weapons market was a mere 13 percent. But, in 1993, the output of the U.S. sales of weapons to foreign countries amounted to \$22.3 billion (about 17,900 billion won in Korean currency), far exceeding that of Russia (\$2.8 billion) or of the United Kingdom (\$2.3 billion); therefore, the United States came to take 70 percent of the entire world weapons market.

On behalf of the U.S. munitions industry, which has been faced with difficulties since the Bush administration, the U.S. Government has been conducting lively lobbyist activities for the sales of its weapons to foreign countries. In the early days of the Clinton administration, there once was an attempt to apply the brakes on the U.S. sales of weapons to foreign countries. But, such an attitude changed soon. A British official, who is vice president of the Southeast Asian Regional Headquarters of a British munitions producing enterprise, said: "The U.S. munitions producing enterprises are selling weapons as if they were selling U.S.-made automobiles in the overseas markets." The U.S. Government is even paying part of the money needed to introduce U.S.-made weapons at various international trade fairs. And, in the past, the officials at the U.S. Embassies throughout the world could not engage in the activities of conducting public relations and pushing for the sales of weapons, but, they are now openly working hard to promote the sales activities for the U.S.-made weapons.

And, according to the criteria on the sales of weapons to foreign countries which were worked out anew at the end of 1994, the U.S. Government is supposed to take consideration even of the effect the sales of weapons will have on the U.S. munitions industry. In the past, the U.S. Government took consideration only of whether the sales of relevant weapons were in conformity with the U.S. foreign policy goals and of what kind of effect such sales of weapons had on the relationships of alliance in the pertinent regions where such weapons were sold.

Quoting relevant data, the above-mentioned British official said: "Exports are the only force that enables the operations of the production lines of M1-A2 tanks of the General Dynamics Corporation and of the production lines of the F-15 fighters of the McDonnell-Douglas Corporation." Experts predict that the output of the U.S. sales of weapons to foreign countries occupies as much as 20 percent out of the entire sales output of the U.S. munitions industry, and that such figures will further increase in the future.

Seoul, U.S. Announce Combined Forces Exercise

SK1404094195 Seoul YONHAP in English 0726 GMT
14 Apr 95

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—The South Korea-U.S. Combined Forces Command announced Friday that the second "RSOI [reception, staging, onward movement, integration] exercise" will be held here from late April until mid-May of this year.

The exercise, which is to allow the combined forces to train and evaluate the command's capability to receive augmentation from U.S.-based forces, will involve 13,000 forces from the South Korean and U.S. Forces here and a small number of U.S. Forces from overseas.

Among the operations are reception, staging, onward movement and integration of out-of-country forces into the U.S. Forces stationed in Korea and the Combined Forces Command. The first RSOI exercise was conducted in April of last year.

USFK Urged To Hold Meeting on Food Inspections

SK1404092895 Seoul MUNHWA ILBO in Korean
14 Apr 95 p 9

[FBIS Translated Text] The Ministry of Agriculture, Forestry, and Fisheries recently sent an official letter to the U.S. Forces in Korea [USFK], stressing the need to convene an ad hoc committee on inspections of vegetable products—a ROK-U.S. consultative council on sanitary inspections—at an early date to discuss inspections of agricultural products imported for the consumption of USFK servicemen.

The letter signed by Kang Myong-ku, director of the Technology Cooperation Division of the Ministry of Agriculture, Forestry, and Fisheries has been delivered to the chairman of the U.S. ad hoc committee on inspections of vegetable products, who is concurrently the USFK officer in charge of supply for USFK servicemen.

On 14 April, an official concerned at the Ministry of Agriculture, Forestry, and Fisheries stated that through a telephone call to the USFK authorities his ministry expressed the opinion that inspections by the ROK Government are urgently needed due to concern that ROK crops might be damaged by blight and harmful

insects if agricultural products for the consumption of USFK servicemen are imported without undergoing inspections.

U.S. Team Meets on Response to Agriculture Issue

*SK1404094595 Seoul YONHAP in English 0718 GMT
14 Apr 95*

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—An American team representing the ad hoc subcommittee on plant disease inspection met Wednesday to prepare a letter which they will submit to the South Korean Ministry of Agriculture, Forestry and Fisheries in response to South Korea's proposal for talks concerning quarantine policies on food stuffs imported for use by the USFK (United States Forces Korea), a subcommittee member said Friday.

The ministry delivered in February a written request for the resumption of the talks, which have been suspended since 1992.

Presently, the USFK receives shipments of fruits and vegetables from America as "military subsistence" which are not subject to customs inspections upon arrival in Korea.

Malcolm Perkins, secretary of the ad hoc committee explained that in 1984, the Korean Government sent a letter to the USFK in reference to international protocol on plant and food inspection. In 1989 the ad hoc subcommittee was formed, and the Korean plant quarantine office drafted a memorandum of agreement (MOA) as a basis to begin discussions.

But after consultations with a division of the U.S. Department of Agriculture, the American side disagreed with certain stipulations in the MOA and the standards used in Korean quarantine inspections, which they did not consider comparable to their own five-step inspection procedures.

"Frankly, they (the national plant quarantine office) have no credibility," Perkins complained. "Our concerns are, if we agree to inspections, that there will be no severe conflict for us to supply our troops."

Perkins added, "It is a demonstrable fact that in the last 45 years, there has never been a documented case of a USFK soldier being subject to a disease, pest, or bug from military subsistence."

In the past several years, the Korean Government has accused the USFK of bringing in grapefruit that had been sprayed with alar, a fruit pesticide, and shipments of wheat tainted with other hazardous chemicals. Both reports were proven to be unfounded after laboratory testing by the USFK, the secretary said.

The move towards the resumption of talks comes amid increasing tensions between the United States and South Korea over the latter's customs formalities. The United

States has complained to the World Trade Organization regarding Korea's "delayed" inspections which it says have resulted in losses of perishable goods.

"(Korean customs) seems to be underfunded, over-worked and certainly unappreciated with all the bad press recently," Perkins remarked. "We're not going to tell them that they can't cut the mustard, but we have a lot of experts who have decades of experience and we want to insure the quality of our food."

In regard to the trade issue dispute, the secretary stated, "Korea has trade barriers that make no sense to any other country in the world. Korea looks foolish and knows it."

When asked about the red-tape involved in its procedures, Perkins cited a specific incident of customs bureaucracy. "Certain fruits have no protocol for effective inspections. In Korea, that is tantamount to a ban."

The push to end the three-year hiatus in the talks is something both United States and South Korean officials want to accomplish before the USFK-ROK joint meeting tentatively scheduled for May 12.

U.S. 'Highly Likely' To Increase Trade Pressure

*SK1404003195 Seoul THE KOREA TIMES in English
14 Apr 95 p 8*

[FBIS Transcribed Text] The United States is highly likely to increase pressure on Korea to change its trading practices from the second half of this year through next year, mainly because of intensifying domestic political activity.

The Washington office of the Korea Foreign Trade Association (KFTA) said yesterday that the U.S. pressure will be extended from the current demand for freer access to the agricultural and meat market to access to iron and steel.

Washington KFTA officials said American steel makers are moving to ask the U.S. government to invoke Super 301 against Korean companies, citing a report from C&M, a leading U.S. consulting company.

The report follows a request by the U.S. Trade Representative Mickey Kantor for bilateral consultation with Korea within the framework of the World Trade Organization (WHO) early this month.

According to the documents, the political environment in the latter half of this year will be such that the administration must seek retaliation against "unfair" trading countries because of the 1996 elections.

It indicated that the Clinton administration will intensify the pressure for further market opening against countries like Korea next year to gain a vote of confidence from industry as well as the public.

"With the WTO in place, the U.S. is in a better position than ever before to seek direct negotiations with its

trading partners. Countries like Korea can only suffer even though it already has a huge trade deficit with the U.S.," one KFTA official explained.

He said the National Trade Estimate, a survey naming the countries with which the U.S. deems it is suffering from unfair trade practices, will reportedly carry an increased number of pages on Korea.

"Korea will be targeted for everything from standardization and sanitary inspections to labelling and certification. We are going to hear lots through the WHO," an official of KFTA's U.S. and Europe Department noted.

He went on to say that Korea's application to become a member of the Organization for Economic Development and Cooperation (OECD) will also play a part in moving the U.S. to demand more access to the Korean market.

In the area of iron and steel, American steelmakers are reportedly seeking mediation from Washington, arguing that the limiting of the imports of steel for steel pipes is an indirect form of governmental support.

In other fields, such as automobiles, intellectual property rights and beef, Washington has been demanding brisker negotiations and could easily choose to invoke its Super Article 301 or work through the WTO, placing an overbearing burden on the Korean government and industrial companies.

Official on Tightening Interministerial Network

SK1404002395 Seoul *THE KOREA HERALD* in English 14 Apr 95 p 8

[FBIS Transcribed Text] Deputy Prime Minister Hong Chae-hyong said yesterday that the government will tighten up the interministerial administrative network to more effectively deal with foreign trade issues.

Officials of trade-related ministries, ranging from ministers to director-generals, will meet much more frequently to catch major trade issues and work out proper counter measures, he said.

"The government will activate an 'early warning system' aimed at detecting the seeds of serious trade frictions as early as possible," said Hong, also minister of finance and economy.

The Foreign Ministry, for instance, will set up its foreign telegram office in Kwachon, a city south of Seoul accommodating all economic ministries, for swift delivery of trade information among within the government, said officials of the Finance and Economy ministry. Any trouble at the customs houses and quarantine and inspection offices will also be directly reported to the central ministries.

These measures came amid the looming trade friction between Korea and the United States over Seoul's time-consuming quarantine and inspection systems, which Washington said has blocked the imports of U.S. citrus products here.

The U.S. Trade Representative filed a complaint with the World Trade Organization's dispute settlement body against what they alleges as a major nontariff trade barriers.

Deputy Premier Hong, while commenting on Washington's complaint over the grapefruit inspection, said that it is not desirable for the domestic media to make a fuss about such minor issue. "It is just one of the numerous issues Korea will have to undergo in adjusting itself to a new trade environment under the WTO system."

The government, instead of coping with each trade issue case by case, will come up with a comprehensive and more fundamental trade administration, he said. At the same time, the government will prevent minor issues from developing into major ones by improving trade-related systems and practices to international standards.

Hong reiterated that the Ministry of Finance and Economy will play a central role as coordinator of conflicting interests among ministries. "The government, however, plans no organizational beef-up for the trade bureau but just some shift of manpower from neighboring bureaus," he said.

The government will focus on fostering of experts if international trade dispute settlements to prepare for the WTO system getting on the full swing, Hong added.

As to the ongoing issue of food and agricultural imports, the government will come up with a comprehensive package to level up the nation's quarantine and inspection system of imported farm goods and processed food to international standards by May 31.

It will activate an interagency task force that will study related systems and practices of industrial countries and work out our own improvement plan, ministry officials said.

Director-generals from the Finance and Economy and Agriculture, Forestry and Fisheries Ministries left for the United States and Japan yesterday to learn the related systems, followed by preliminary research of food and inspection experts this week they said.

Next week, related officials will make fact-finding surveys, based on which they will work out a comprehensive improvement plan by the end of May.

U.S. Asks Seoul To Accept Cuban Refugees

SK1304035695 Seoul *YONHAP* in English 0158 GMT 13 Apr 95

[FBIS Transcribed Text] Seoul, April 13 (YONHAP)—The United States has recently sounded out South Korea about accepting a portion of the more than 250,000 Cuban refugees presently living in the American naval base at Guantanamo Bay, Cuba, for permanent settlement, but South Korea will hardly be able to accept the request, according to a Foreign Ministry spokesman Thursday.

A U.S. consul-general here made the request, unofficially, to a Foreign Ministry official over dinner late last month, said the spokesman.

The South Korean Government, however, will soon inform the U.S. Government of its decision not to accept the Cuban refugees, the spokesman said.

South Korea has never accepted refugees from abroad for permanent settlement, although it has accommodated Vietnamese boat people for a few years to help their emigration to third countries, said the spokesman.

Accepting drifting boat people and accommodating refugees already settled in a U.S. naval base are different things, said the spokesman.

The United States has requested over 30 countries to accept the Cuban refugees presently living at the naval base in Cuba and several countries responded favorably, he said.

The United States accepted over 9,000 Cuban immigrants legally last year when over 320,000 Cubans fled Cuba for the United States in return for the Cuban Government's pledge to restrict the outflow of the illegal immigrants to the United States.

The U.S. Government at that time also agreed to accept 20,000 Cuban immigrants annually.

The United States and Cuba will hold another round of talks next week to further discuss the immigration issue.

U.S. Lack of 'Decorum' Seen in Trade, Refugees

SK1404050895 Seoul KYONGHYANG SINMUN in Korean 14 Apr 95 p 2

[By reporter Yi Sung-chol from the "Reporter's Memorandum" column]

[FBIS Translated Text] The United States recently asked our government to accept Cuban refugees. Our government turned down their offer, and this incident soon became a non-incident.

However, we cannot help but feel uncomfortable with the U.S. request that our government accept Cuban refugees because it coincided with the intensification of its anomalous pressure offensive against the ROK [pyon-chikchogin taehan anmyok kongse].

How could the United States, which claims to be well-versed in our specific situation, ask us to accept refugees with the belief that we are capable of accommodating them?

Regarding the U.S. request for the ROK's acceptance of Cuban refugees, Foreign Ministry officials defended the U.S. position by saying: "The United States made such a request probably because our country is one of its allies. It is difficult to single out any particular meaning to the U.S. request, because the United States made the same request to over 30 countries." According to the officials,

the United States sounded out our country about accepting the refugees simply because the ROK is one of its allies, no matter how slight the possibility of our country accepting them might be. This explanation is not convincing.

More convincing than the officials' explanation is the view of observers in light of the recent U.S. trade offensive against the ROK, that the United States requested our help in solving the Cuban refugees problem, its Achilles' tendon, because it regards the ROK as an easy partner.

The United States filed a lawsuit with the World Trade Organization against the ROK on 3 April although the ROK had notified the United States of its decision to introduce the clearance-first and testing-later system for U.S. grapefruit imports.

In addition, at a hearing of the U.S. Senate on the following day, 4 April, U.S. Trade Representative Mickey Kantor denounced the ROK's trade policy, comparing it with that of Japan 15 years ago and even using vulgar words.

Keeping in mind that all countries are out to protect their interests helps one understand this attitude of the United States. However, the United States appears not to be able to observe even the minimum level of decorum necessary in an international society.

While this may partially be attributed to our government's diplomatic dependence upon the United States for security concerns. Nonetheless, the U.S. attitude is doing damage to our pride.

"Why is the United States behaving this way?"

Envoy Confirms Religious Figures Visiting DPRK

SK1304031695 Seoul YONHAP in English 0139 GMT 13 Apr 95

[FBIS Transcribed Text] Beijing, April 13 (YONHAP)— Two leaders of Taejongkyo, a folk religion that worships the national founder "Tangun," made an illegal pilgrimage to the North Korean capital of Pyongyang aboard an Air Koryo flight that left Beijing at 3:20 PM on Tuesday, an official at the South Korean Embassy in Beijing said Wednesday, confirming their reported entry into North Korea.

The religious sect's leader An Ho-sang and Executive Chief Kim Son-chok flew to North Korea on the Air Koryo flight JS152 after they arrived in Beijing via Hong Kong on Monday, the official said.

"I met them here and earnestly requested them to reconsider their North Korea visit in light of its inopportunities but failed to have them do so to their tenacious intention to go to the North," he said.

The official quoted An as having said, "I must go this time as I have not many days to live. We will have a

ceremony at Mt. Kuwol commemorating Tangun's ascension to heaven and will also persuade North Korean authorities to designate Oct. 3 national foundation day a national holiday."

An, 93, who served as the country's first education minister in the late 1940s, told the official he and his companion would return to South Korea on the coming Saturday or Sunday. But they are expected to leave North Korea next Tuesday since there are only three regular flights between Pyongyang and Beijing departing every Tuesday, Wednesday and Saturday.

The South Korean religious leaders were learned to have received an invitation letter from the Central Guidance Committee chairman of North Korea's "Chondokyo."

Return Planned Via Panmunjom

*SK1404090195 Seoul YONHAP in English 0842 GMT
14 Apr 95*

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—Two leaders of Taejongkyo, now on a controversial and unauthorized trip to North Korea, are planning to return to the South Sunday morning via the truce village of Panmunjom, sources at the government said Friday.

An Ho-sang, head of the indigenous religion that worships the national foundation father "Tangun," and Kim Son-chok, chief administrator of the religion, flew to Pyongyang from Beijing last Tuesday without the government's approval.

A government official quoted a spokesman for North Korea's "Chondokyo," an indigenous religion, as having announced that the South Koreans will return to the South at 11:30 [0230 GMT] Sunday morning through the village of Panmunjom on the border between South and North Korea.

"North Korea announced their expected return home for reasons of their request and convenience, but did not elaborate on the reasons for their early return," he said. They were previously scheduled to return next Tuesday.

The government, after investigating the motivations and events of their trip, is slated to take appropriate legal measures against them as soon as they return to the South.

North Korea reportedly claimed that the South Koreans paid homage to the Tomb of Tangun in Pyongyang and attended a religious ceremony.

Kumho Breaks Ground for Tire Plant in PRC

SK1404004295 Seoul THE KOREA HERALD in English 14 Apr 95 p 8

[FBIS Transcribed Text] Kumho & Co. yesterday broke ground for a tire manufacturing plant in Nanjing, Jiangsu Province, China in a joint venture with Nanjing Tire.

The joint venture plant called Nanjing Kumho Tire, capitalized at \$120 million, will be capable of churning out 300 tires annually, including 2.4 million tires for passenger cars and light trucks.

The plant, to be built on 200,000 sq. meters, will be dedicated by 1997, a company spokesman said.

The investment will be shouldered by Kumho and Nanjing Tire at a ratio of 75:25, said the spokesman, adding that the former will provide cash and facility, while the latter will offer land and make investment in kind.

Kumho will take charge in exporting tire products through its own worldwide sales network while Nanjing Tire will be in charge of selling them locally.

Kumho, the first Korean tiremaker to enter the Chinese market, dedicated a tire manufacturing factory in Tianjin in January.

Korean, Japanese Business Leaders Attend Meeting

*SK1304081895 Seoul YONHAP in English 0805 GMT
13 Apr 95*

[FBIS Transcribed Text] Cheju, April 13 (YONHAP)—Over 240 South Korean and Japanese business leaders assembled here Thursday for a two-day meeting to discuss ways to further improve economic cooperation between the two countries.

In his congratulatory speech at the opening session at the Cheju Shilla Hotel, International Trade and Industry Minister Pak Chae-yun said South Korea would pursue a trade policy matching competition and cooperation for a mature partnership between the two countries.

Among the Korean participants were president Pak Yong-hak of the Korean Foreign Trade Association, who concurrently serves as chairman of the Korea-Japan Economic Council which sponsored the meeting, Chairman Kim Sang-ha of the Korea Chamber of Commerce and Industry, Chairman Kim U-chung of the Daewoo Group, Chairman Kim In-tok of the Pyoksan Group, Chairman Cho Sok-nae of the Hyosong Group and Chairman Kim Kak-chung of the Kyongbang Group.

The Japanese business leaders attending the meeting include Chairman Nobuya Hakura of the Japan-Korea Economic Council, Chairman Isao Yonekura of C. Itoh & Co., Chairman Tetsuro Kawakami of the Kansai Federation of Economic Organizations, Chairman Tadashi Ito of Sumitomo Corp. and Chairman Koichi Sato of Hotel Okura.

The group will hold three panel meetings Friday—a trade, an industrial cooperation and a joint session meeting.

At the joint session meeting, South Korea will offer to send sales missions to Japan to promote youth exchange

programs between the two countries, while inviting Japanese buying missions to visit Korea.

Agree on Technology Cooperation

*SK1404130695 Seoul YONHAP in English 1231 GMT
14 Apr 95*

[FBIS Transcribed Text] Cheju, April 14 (YONHAP)—Leading South Korean and Japanese businessmen decided here Friday to better contribute to the development of the Asian and world economies as "partners for progress."

At the 27th joint meeting of the Korea-Japan and Japan-Korea Economic Associations held at Hotel Cheju Shilla, the attendees agreed to further promote technology cooperation between the industries of the two countries.

To this end, the Japanese business leaders vowed to cooperate in South Korea's efforts to induce more foreign investment by seeing to it that Japan will ease various economic control and maximize the opening of its market.

The two sides also decided to explore means of joint industrial cooperation toward third countries as "partners in the creation and development of orderly markets."

The two-day meeting was attended by 127 leading South Korean businessmen led by Pak Yong-hak, chairman of the Korea-Japan Economic Association, and 129 Japanese businessmen including Nobuya Hakura, chairman of the Japan-Korea Economic Association.

DPRK Scholars Invited to Sea of Japan Meeting

*SK1404031995 Seoul HANGYORE SINMUN in Korean
14 Apr 95 p 20*

[By Kim Chong-hwa from Chunchon]

[FBIS Translated Text] On 13 April, Kangwon Province and Kangwon University announced they plan to hold an international symposium on the East Sea [Sea of Japan] basin, with North Korean scholars in attendance. They have become the first such regional administrative office and regional university to jointly invite North Korean scholars. The participation of North Korean scholars in the symposium would be of great significance.

On 13 April, Kangwon Province announced the province and Kangwon University had been preparing to hold an international symposium on 31 May and 1 June in Chunchon entitled "Measures of Regional Governments of Various Countries for Economic Cooperation in the East Sea Basin." The symposium will deal with strategies of various countries to promote economic cooperation in the East Sea basin, the regional governments' role in promoting economic cooperation, and ways to expand investments and trade to substantially strengthen cooperation.

Vietnam's Do Muoi Visits Industrial Plants

*SK1404094895 Seoul YONHAP in English 0735 GMT
14 Apr 95*

[FBIS Transcribed Text] Ulsan, South Korea, April 14 (YONHAP)—Visiting Vietnamese Communist Party General Secretary Do Muoi visited Hyundai Motor Co. and Hyundai Heavy Industries Co. plants here Friday morning.

The Vietnamese leader, accompanied by Vietnamese Foreign Minister Nguyen Manh Cam and 40 other entourage members, took a look at the third plant of Hyundai Motor Co., where new 'Avante' models are produced, and the nearby quay where the automobiles are shipped for export.

The company's president Chon Sung-won showed Do Muoi around the plant and the quay.

Later, the Vietnamese general secretary visited Hyundai Heavy Industries, where ships are built, guided by company President Kim Chong-kuk. He visited the sites for engine assembly, production of power generation facilities and the facilities for marine crude oil production.

Do had lunch with Hyundai Group Chairman Chong Se-yong and other senior Hyundai officials and discussed with them ways for Hyundai to participate in Vietnamese construction projects such as power plants and production bases for marine crude oil.

Hyundai President Kim Chong-kuk said, "If the Vietnamese Government wants, Hyundai will actively participate in the construction of power generation facilities and marine crude oil production equipment."

Do made a tour of Kyongju city and Bulguksa Temple before heading for Pohang Iron and Steel Company later in the day.

Mission in Egypt Starts Embassy-Level Business

*SK1404015695 Seoul YONHAP in English 0121 GMT
14 Apr 95*

[FBIS Transcribed Text] Cairo, April 14 (YONHAP)—The South Korean mission in Egypt embarked on embassy-level business Thursday following the announcement establishing full diplomatic relations between the two countries.

The South Korean Consulate-general began using official seals of the embassy and charge d'affaires levels on all documents related to official business.

The mission is expected to be so reorganized and reinforced as to become the largest South Korean diplomatic office in the Middle East and North Africa.

Presently, South Korean diplomats here number only eight, compared with the United States' 500, Japan's 30 of Japan and North Korea's 18.

Kim Stresses Importance of 'Fair Electioneering'
*SK1404112495 Seoul YONHAP in English 1021 GMT
14 Apr 95*

[FBIS Transcribed Text] Chongju, April 14 (YONHAP)—President Kim Yong-sam on Friday emphasized the importance of fair electioneering, vowing to make the upcoming local elections an occasion to promote an "election revolution."

"I will see to it that law enforcement authorities uproot the prevalent sentiments that the end justifies the means in elections," he said.

The president made the remarks during a luncheon he had with about 160 leading figures at the office of the North Chungchong Province Administration here.

Noting that Japanese voters chose less costly politics and political decolorization in the recent mayoral elections, Kim said "we should obtain a valuable lesson therefrom."

During a briefing given by North Chungchong Governor Ho Tae-yol to Kim prior to the luncheon, President Kim urged local administrators to work out a regional development plan in connection with the construction of an

international airport in the area and a high-speed railroad and additional expressways that are to pass through the Chungchong area.

Prime Minister: Not Candidate for Seoul Mayor
*SK1404085595 Seoul YONHAP in English 0720 GMT
14 Apr 95*

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—Prime Minister Yi Hong-ku said Friday that he has no intention of running in the forthcoming Seoul mayoral election.

In a telephone conversation for a program aired on the KBS 1 Radio station Friday morning Yi said, "I, being responsible for preparations for the 21st century and the promotion of globalization and reform, am not considering a candidacy in the Seoul mayoral election at all."

Yi has been mentioned as a possible candidate for the ruling Democratic Liberal Party for the Seoul mayoral post in the June 27 local elections.

"It is my role to so manage the upcoming local elections as they be conducted in a fair and clean manner without requiring money," Yi stressed.

Burma

Minister Opens Border Trade Posts With India

*BK1304160995 Rangoon Radio Myanmar in Burmese
1330 GMT 13 Apr 95*

[FBIS Translated Text] A five-member Myanmar [Burmese] trade delegation led by Trade Minister Lieutenant General Tun Kyi left Yangon [Rangoon] on 3 April to promote bilateral trade and to attend the inauguration of border trade at the invitation of Indian Commerce Minister Mr. P. Chidambaram. The two trade ministers opened the border trade posts in Moreh and Tamu. The trade minister and his party returned today on a domestic flight.

Khun Sa Forces Blamed for Mine Explosions

*BK1304154695 Rangoon Radio Myanmar in Burmese
0630 GMT 13 Apr 95*

[FBIS Translated Text] Khun Sa's Loimaw drug trafficking terrorist insurgents have been constantly engaged in destructive activities with intent to scare, kill, and maim innocent people. Four mines secretly laid by the insurgents on the banks of the Mae Sai Stream in Tarlat Ward, Tachilek exploded yesterday morning, killing one civilian and wounding another.

Yesterday morning, Aik Yaw, 25, son of U Nan Htang from Ward No. 1, Kengtung, stepped on a mine and was seriously wounded while going to the bank of the Mae Sai Stream in Tarlat Ward, Tachilek on the Thai-Myanmar [Burma] border. Similarly, Nanu, 25, son of U Sai Lay from Aungthabye Ward, Taunggyi, stepped on a mine and was killed while in that vicinity. At the same time another two mines exploded when a dog ran past them.

When responsible officials and security personnel checked the area where the incidents occurred to prevent any further danger, they discovered and seized another two mines made at Khun Sa's drug trafficking headquarters.

SLORC Accused of Forcing Poor To Relocate

*BK1404084395 Bangkok BANGKOK POST in English
14 Apr 95 p 7*

[FBIS Transcribed Text] The Burmese Government is ordering impoverished residents to rebuild homes on main streets and is moving out those who cannot afford the modernisations, rebels charged yesterday.

The All Burma Students' Democratic Front [ABSDF] issued a statement from its sanctuary in Thailand, saying those along the main street in Loikaw city were forced February 23 to sell their houses at extremely low prices and move out of the area because they could not afford to tear down their homes and build concrete buildings there.

Loikaw is 365 kms northeast of the Burmese capital of Rangoon, the control base of the ruling State Law and Order Restoration Council [SLORC].

The rebels, who are fighting the central administration for greater freedoms, said the forced renovations are aimed at making the country look developed and peaceful to entice foreign tourists.

They also said that on Sept 22 the government ordered people from 37 other villages to quickly build 28 homes, with their own money.

Newspaper Carries 1995 State Budget Law

BK1404061695

[FBIS Editorial Report] Rangoon MYANMAR ALIN in Burmese carries the text of the "The State Budget Law, 1995"—or "State Law and Order Restoration Council [SLORC] Law No. 3/95"—in installments each day from 30 March to 5 April. The law is dated 29 March 1995.

MYANMAR ALIN on 30 March on page 10 carries the portion of the State Budget Law from the beginning of Part I, Section 1 to Part II, Chapter I, Section 3(c). The sections continue sequentially throughout the law rather than restarting with each part or chapter.

Part I is entitled: "Title and Date of Enforcement." Under Section 1(b), the law states: "The provisions applicable to income tax mentioned in sections 21 to 26 shall be deemed to have come into force on 1 April 1994." Under Section 1(c) the law states: "The remaining sections of the law shall come into force from 1 April 1995 for the 1995-96 financial year."

Part II is entitled: "The State Law and Order Restoration Council, Multiparty Democracy General Election Commission, Government, Chief Justice, Attorney General, Auditor General, Ministries, and Departments." Chapter I deals with "rules and expenditures."

MYANMAR ALIN on 31 March on page 12 carries the portion of the State Budget Law from Part II, Chapter I, Section 4(a) to Part II, Chapter III, Section 10. Chapter II deals with the "reserve fund" while Chapter III deals with "taking of loans."

MYANMAR ALIN on 1 April on page 11 carries the portion of the State Budget Law from Part II, Chapter III, Section 11 to Part IV, Section 17(c). Part III is entitled: "State Economic Organizations." Part IV is entitled: "Cantonment Municipalities."

MYANMAR ALIN on 2 April on page 11 carries the portion of the State Budget Law from Part IV, Section 18(a) to Part VI, Section 26. Part V is entitled: "Development Committees and Municipalities." Part VI is entitled: "Income Tax."

MYANMAR ALIN on 3 April on page 5 carries Schedules 1 and 2 of the budget.

Schedule 1, entitled "The State Law and Order Restoration Council, Multiparty Democracy General Election

Commission, Government, Chief Justice, Attorney General, and Auditor General," lists the following receipts, given in kyats:

1. SLORC: Other current receipts, 5,937,400; capital receipts, 15,000.
2. Multiparty Democracy General Election Commission: Other current receipts, 300.
3. Government: Other current receipts, 3,309,000; capital receipts, 1,500; receipts from foreign aid, 438,000.
4. Chief Justice: Other current receipts, 76,871,900.
5. Attorney General: Other current receipts, 96,000.
6. Auditor General: Other current receipts, 2,505,000; capital receipts, 5,000.

Total: Other current receipts, 88,719,600; capital receipts, 21,500; receipts from foreign aid, 438,000;

Schedule 2, also entitled "The State Law and Order Restoration Council, Multiparty Democracy General Election Commission, Government, Chief Justice, Attorney General, and Auditor General," lists the following expenditures, given in kyats:

1. SLORC: Current expenditure, 187,388,000; capital expenditure, 45,748,930.
2. Multiparty Democracy General Election Commission: Current expenditure, 6,138,000; capital expenditure, 35,000.
3. Government: Current expenditure, 125,491,000; contribution, 11,678,000; capital expenditure, 201,077,040.
4. Chief Justice: Current expenditure, 113,000,000; capital expenditure, 10,317,000.
5. Attorney General: Current expenditure, 52,500,000; capital expenditure, 8,528,560.
6. Auditor General: Current expenditure, 115,350,000; capital expenditure, 8,808,220.

Total: Current expenditure, 599,867,000; contribution, 11,678,000; capital expenditure, 274,514,750.

MYANMAR ALIN on 3 April on page 6 carries Schedule 3 of the budget, entitled: "Ministries and Departments." It lists the following receipts, given in kyats:

1. Taxes levied on inland productions and public consumption, 8,112,699,000, broken down as excise duty, 69,330,000; commercial tax, 6,198,597,000; license fees on imported goods, 200,000,000; state lottery, 1,350,000,000; taxes on transport, 65,023,000; sales proceeds of stamps, 229,749,000.
2. Taxes levied on income and ownership, 4,512,781,000, broken down as income tax, 2,850,821,000; profit tax, 1,661,960,000.

3. Customs duties, 2,150,000,000.
4. Taxes levied on utility of state-owned properties, 884,307,000, broken down as taxes on land or land revenue, 48,653,000; water tax and embankment tax, 18,889,000; tax on extraction of forest products, 458,144,000; tax on extraction of minerals, 12,022,000; tax on fisheries, 346,599,000; tax levied on rubber, none.
5. Receipts from state economic organizations, 8,707,380,000.
6. Foreign Affairs: Other current receipts, 1,454,000.
7. Defense: Other current receipts, 202,889,000.
8. Progress of Border Areas and National Races and Development Affairs: Other current receipts, 103,000; receipts from foreign aid, 4,749,000.
9. Home Affairs: Other current receipts, 79,208,000; capital receipts, 1,000,000; receipts from foreign aid, 6,200,000.
10. Religious Affairs: Other current receipts, 14,582,500.
11. Social Welfare, Relief, and Resettlement: Other current receipts, 2,501,000; receipts from foreign aid, 8,000.
12. Information: Other current receipts, 53,081,800; drawing of loans, 600,000.
13. Culture: Other current receipts, 5,700,500.
14. Education: Other current receipts, 425,371,470; receipts from foreign aid, 5,380,000.
15. Health: Other current receipts, 31,862,000; capital receipts, 1,100,000; receipts from foreign aid, 29,610,000.
16. Labor: Other current receipts, 18,260; capital receipts, 1,000; receipts from foreign aid, 22,000.
17. Forestry: Other current receipts, 100,587,200; receipts from foreign aid, 20,623,000.
18. Agriculture: Other current receipts, 1,161,848,860; capital receipts, 5,000,000; receipts from foreign aid, 14,648,000; drawing of loans, 30,000,000.
19. Livestock Breeding and Fisheries: Other current receipts, 104,888,120.
20. Mines: Other current receipts, 4,980,000; capital receipts, 50,000.
21. Industry No. 1: Other current receipts, 19,492,680; capital receipts, 50,000.
22. Industry No. 2: Other current receipts, 1,575,000; receipts from foreign aid, 455,000.
23. Construction: Other current receipts, 79,904,400; interest receipts, 90,000; capital receipts, 700,000,000; receipts from recovery of loans, 900,000.

24. Transport: Other current receipts, 128,140,500; drawing of loans, 4,000,000.

25. Rail Transportation: Other current receipts, 107,165,000.

26. Communications, Post, and Telegraphs: Other current receipts, 55,105,000; receipts from foreign aid, 800,000.

27. Trade: Other current receipts, 52,526,000.

28. Hotels and Tourism Services: Other current receipts, 1,000.

29. Cooperatives: Other current receipts, 14,658,960.

30. National Planning and Economic Development: Other current receipts, 17,891,000; capital receipts, 110,000; receipts from foreign aid, 760,000.

31. Finance and Revenue: Other current receipts, 130,257,000; interest receipts, 183,460,000; capital receipts, 50,000; receipts from foreign aid, 720,000,000; receipts from recovery of loans, 256,731,000.

32. Pensions and Gratuities: Other current receipts, 301,500.

Total: Taxes, 15,659,787,000; receipts from state economic organizations, 8,707,380,000; other current receipts, 2,796,093,950; interest receipts, 183,550,000; capital receipts, 707,361,000; receipts from foreign aid, 803,255,000; recovery of loans, 257,631,000; drawing of loans, 34,600,000.

MYANMAR ALIN on 4 April on page 5 carries Schedule 4, entitled: "Ministries and Departments." It lists the following expenditures, given in kyats:

1. Foreign Affairs: Current expenditure, 91,000,000; contribution, 652,000; capital expenditure, 18,397,020.
2. Defense: Current expenditure, 10,036,937,170; capital expenditure, 5,441,851,000; investment in organizations, 50,000,000.
3. Progress of Border Areas and National Races and Development Affairs: Current expenditure, 106,859,710; contribution, 108,000,000; capital expenditure, 504,336,990.
4. Home Affairs: Current expenditure, 1,669,668,000; contribution, 125,233,650; capital expenditure, 127,865,210; repayment of loans, 61,255,000.
5. Religious Affairs: Current expenditure, 69,950,000; contribution, 16,491,800; capital expenditure, 2,856,380.
6. Social Welfare, Relief, and Resettlement: Current expenditure, 101,300,000; contribution, 18,300,000; capital expenditure, 51,837,720.
7. Information: Current expenditure, 194,900,000; capital expenditure, 124,607,100.
8. Culture: Current expenditure, 45,520,000; contribution, 45,500; capital expenditure, 531,185,750.
9. Education: Current expenditure, 4,476,070,000; contribution, 303,000; capital expenditure, 1,255,640,280.
10. Health: Current expenditure, 949,200,000; contribution, 2,689,800; capital expenditure, 995,220,540.
11. Labor: Current expenditure, 33,805,000; contribution, 950,000; capital expenditure, 5,218,790.
12. Forestry: Current expenditure, 291,400,000; contribution, 350,000; capital expenditure, 147,911,740.
13. Agriculture: Current expenditure, 1,951,000,000; contribution, 5,304,500; capital expenditure, 2,543,695,900.
14. Livestock Breeding and Fisheries: Current expenditure, 292,600,000; payment of interest, 9,801,000; contribution, 154,000; capital expenditure, 44,905,350; repayment of loans, 35,294,000.
15. Mines: Current expenditure, 50,350,000; capital expenditure, 5,269,090.
16. Industry No. 1: Current expenditure, 25,930,500; capital expenditure, 2,866,000.
17. Industry No. 2: Current expenditure, 22,313,500; contribution, 185,200; capital expenditure, 14,642,140.
18. Energy: Current expenditure, 5,000,000; capital expenditure, 3,034,770.
19. Construction: Current expenditure, 1,363,960,000; capital expenditure, 3,000,083,480.
20. Transport: Current expenditure, 107,000,000; payment of interest, 333,800; contribution, 552,000; capital expenditure, 835,386,200; repayment of loans, 1,980,000.
21. Rail Transportation: Current expenditure, 38,000,000; capital expenditure, 1,788,000.
22. Communications, Post, and Telegraphs: Current expenditure, 28,200,000; contribution, 737,500; capital expenditure, 22,879,000.
23. Trade: Current expenditure, 18,000,000; capital expenditure, 1,179,210.
24. Hotels and Tourism Services: Current expenditure, 940,000; capital expenditure, 587,000.
25. Cooperatives: Current expenditure, 254,420,000; capital expenditure, 26,550,920.
26. National Planning and Economic Development: Current expenditure, 67,138,000; contribution, 10,023,000; capital expenditure, 21,095,120.
27. Finance and Revenue: Current expenditure, 260,143,000; payment of interest, 2,310,580,000; contribution, 55,680,000; capital expenditure, 51,815,060;

repayment of loans, 516,675,000; investment in organizations, 17,500,000; savings, 300,000.

28. Pensions and Gratuities: Current expenditure, 1,118,012,000.

29. Gratuities and Commuted Pensions: Current expenditure, 351,750,000.

30. Reserve Fund: Reserve fund, 100,000,000.

Total: Current expenditure, 24,021,366,880; payment of interest, 2,320,714,800; contribution, 345,651,950; capital expenditure, 15,782,705,760; repayment of loans, 615,204,000; investment in organizations, 67,500,000; savings, 300,000; reserve fund, 100,000,000.

MYANMAR ALIN on 4 April on page 5 carries Schedule 5-7. Schedule 5, entitled "State Economic Organizations," lists the following receipts, given in kyats: Other current receipts, 88,962,001,000; capital receipts, 42,214,000; receipts from foreign aid, 28,610,000; recovery of loans, 71,856,000; drawing of loans, 358,828,000.

Schedule 6, also entitled "State Economic Organizations," lists the following expenditures, given in kyats: Current expenditure, 89,179,750,000; capital expenditure, 4,994,041,860; disbursement of loans, 10,635,000; repayment of loans, 1,119,542,000; investment in organizations, 11,902,000.

Schedule 7, entitled "Cantonment Municipalities," lists the following receipts given in kyats:

Cantonment municipalities under the Ministry of Defense: Taxes, 52,100; other current receipts, 13,291,640.

MYANMAR ALIN on 5 April on page 6 carries Schedule 8-9. Schedule 8, also entitled "Cantonment Municipalities," lists the following expenditures in kyats:

Cantonment municipalities under the Ministry of Defense: Current expenditure, 11,852,200; capital expenditure, 6,154,000.

Schedule 9 lists income tax rates for the private sector, the cooperative sector, the state-owned sector, rates applicable to the three sectors, and the determination of assessable income.

Brunei, Malaysia & Singapore

Malaysia

Official Says NPT Draft Resolution 'Unclear'

BK1304124195 Kuala Lumpur BERITA HARIAN in Malay 13 Apr 95 p 26

[FBIS Translated Text] Kuala Lumpur, Wednesday—Malaysia has voiced its concern over the draft resolution of the Nuclear Nonproliferation Treaty (NPT) because it does not provide protection to the non-nuclear countries.

Tan Sri Razali Ismail, Malaysia's permanent representative to the United Nations said the draft, which outlined the types of assistance that the Security Council can offer to a non-nuclear country in the event of a nuclear attack, was still unclear.

Speaking during the Security Council's debate on Security Guarantee in New York on Tuesday, Razali said: "The draft does not provide any guarantee to us because the terms used in the draft are considered vague and should a nuclear attack happen, no form of assistance can ever bring back the dead and reconstruct the devastation."

Razali said, prior to submitting the draft resolution to the Security Council, that there is a need to include a provision stressing that nuclear countries should take action to restrict any threat if a threat were made to use nuclear weapons.

According to him, the proposal was rejected despite a call made by the Malaysian delegation with the cooperation of the Nonaligned Movement's consultative council for an amendment to be made to the draft resolution. The text of his speech was released here today.

The guarantee provided in the draft resolution can still be debated because all the nuclear countries are permanent members of the Security Council and have the authority to determine whether a threat is made with an intention to attack or issued in self-defense.

Opposition DAP Party Issues Election Manifesto

BK1404094595 Kuala Lumpur THE STAR in English
14 Apr 95 p 9

[FBIS Transcribed Text] Petaling Jaya—The DAP [Democratic Action Party] launched its election manifesto yesterday urging Malaysians to vote in a stronger party for full liberalisation in nation-building policies to achieve the vision of a Malaysian Malaysia.

It outlined a 10-point "democratisation programme" which it said would be the basis for full liberalisation.

The thrust of the manifesto, described by DAP as a "very political" one, also calls on voters to prevent the Barisan Nasional [National Front] from forming a one-party state.

Party secretary general Lim Kit Siang, who unveiled the manifesto at a press conference, said two important questions had to be decided by Malaysians in the elections.

"They must decide whether the minor liberalisation in nation-building measures in the last four years can become the basis for full liberalisation and democratisation and lay a firm foundation for a Malaysian Malaysia.

"They must also decide if the national euphoria over the impressive economic growth for seven consecutive years can wipe out the DAP and the Opposition," he said.

He said the country needed a strong and effective opposition to provide the checks and balance in a democratic system of government.

Lim said the current political scenario had presented the DAP with "a most unusual challenge", thus "the very political manifesto."

On the Tanjung III project [campaign to capture Penang from ruling coalition's control], Lim said if the DAP succeeded, Penang would be used as a model state to usher in the full liberalisation and democratisation processes and set the stage for the achievement of a Malaysian Malaysia.

Ministry Modifying Import Ban on Petrochemicals

BK1204152595 Kuala Lumpur THE STAR in English 12 Apr 95 p 4

[Report by Harjinder Kaur in Singapore]

[FBIS Transcribed Text] Malaysia has informed the World Trade Organization [WTO] members that it was modifying its import prohibition on two petrochemical products—polyethylene and polypropylene—to an automatic import licensing scheme.

This means that import licenses, imposed last April for the two petrochemical products, would be issued freely to all bona fide importers, according to a Ministry of Trade and Industry (MITI) statement on the meeting of the WTO's Dispute Settlement Body (DSB) on Monday.

The statement also said that subsequent to Singapore's request on March 29 for a panel to be set at Monday's meeting to examine Malaysia's prohibitions on the two products, Malaysia notified the WTO members of the modification.

Singapore deferred its request for the establishment of the panel "pending further consultations with Malaysia on the details of the modified administrative procedures and confirmation from Singapore companies that the new automatic licensing scheme is being administered in a nontrade restrictive and WTO-consistent manner."

The ministry said: "Singapore welcomes these positive developments. It is happy that Malaysia has taken Singapore's concerns into consideration and modified that administration of its import licensing scheme."

Singapore hopes that Malaysia will implement the automatic import licensing scheme in full conformity with WTO rules and procedures so that Singapore can eventually inform the DSB of the complete withdrawal of our complaint."

The prohibitions, intended to protect Malaysia's budding petrochemical industry, required that government permits be obtained by local plastic suppliers before the two specified petrochemical products were brought into the country.

Singapore

Foreign Ministry Issues Statement on Philippines

BK1304161295 Singapore BUSINESS TIMES in English 12 Apr 95 p 1

[Reports by Ven Sreenivasan in Singapore and Al Labita in Manila]

[FBIS Transcribed Text] The Philippines and Singapore have agreed to maintain bilateral ties between their countries on an even keel. They have also agreed to have the remains of the murdered Filipina maid Della Maga examined again and that the Singapore ambassador to the Philippines be replaced.

In separate official statements, they revealed that President Fidel Ramos of the Philippines had written to Singapore Prime Minister Goh Chok Tong and that they had also spoken on the telephone yesterday evening. The Singapore Ministry of Foreign Affairs (MFA) statement said the two leaders agreed that their foreign ministers work out the detailed arrangements for the joint reexamination of Mrs. Maga's remains.

Flor Contemplacion, also a Filipina maid, was hanged by Singapore on March 17 this year, for the murder of Mrs. Maga, on May 4, 1991. It was Mr. Ramos who requested that Singapore Ambassador Tan Seng Chye be replaced. The MFA statement said Mr. Goh reiterated that Mr. Tan had the "full confidence" of the government but, "in deference to the wish of President Ramos," had asked the ambassador to return. Mr. Tan arrived in Singapore last evening.

In his statement, Mr. Ramos said his phone conversation with Mr. Goh was "cordial and productive" and that the reexamination was meant "to arrive at the truth and serve the ends of justice."

Singapore's autopsy showed that Mrs. Maga died of strangulation, while that of Manila's National Bureau of Investigation (NBI) indicated her death was caused by a savage beating.

Mr. Ramos had earlier issued another statement saying that he wrote a letter to Mr. Goh asking that he consider reorganising the Singapore Embassy in Manila "to assure more effective rapport." He also requested Mr. Goh to reopen the Contemplacion case and allow forensic experts Dr Wee Keng Poh and Professor Chao Tzee Cheng to visit Manila and re-examine Mrs. Maga's remains.

Mr. Ramos said the invitation was in the hope that Filipino and Singaporean medico-legal experts "would come to a meeting of minds without the need for third-party intervention." He said "the resolution of these contradictory autopsy reports is key to the final resolution of the case."

If disagreement still occurs, Mr. Ramos said, he would welcome an independent examination acceptable to both the Philippine and Singapore Governments.

In his letter to Mr. Goh, Mr. Ramos admitted that the controversial Contemplacion case "caused the Filipino people much grief and generated anger" not only towards Singapore, but also to the Philippine Government and "my own person."

In another development, retired Supreme Court justice Emilio Gancayco, chairman of the Philippine Presidential Commission on the Contemplacion case, said it would issue shortly a statement to rebut point-by-point the arguments raised by Singapore. "Our investigation was open. We based our conclusion on the basis of testimonial evidence presented to us," he said.

Cabinet Reshuffle Reflects Promotions, Changes

BK1304135095 Singapore Radio Corporation of Singapore in English 1300 GMT 13 Apr 95

[FBIS Transcribed Text] The Prime Minister's Office has announced several promotions and changes in the cabinet. These changes take effect on Monday.

Heading the list of promotions is Mr. Lim Hng Kiang, who will be made full minister for national development. He will become second minister in the Foreign Ministry, where he has been serving as senior minister of state.

Communications Minister Mah Bow Tan will leave the Environment Ministry, but will remain as minister for communications. His duty will be taken over by Rear Admiral Teo Chee Hean, who has been appointed acting minister for the environment. Adm. Teo will be promoted to a senior minister of state. He will give up his position as minister of state for finance but will remain in the Defense Ministry as senior minister of state.

Mr. Abdullah Tarmugi, who remains as acting minister for community development, has also been promoted to a senior minister of state. He will serve in this capacity at the Home Affairs Ministry.

Dr. Aline Wong has also been promoted to senior minister of state for both the Health and Education Ministries, and there is a new political officeholder—Mr. Goh Siak Khee, an MP for Tanjong Pagar. He will be appointed parliamentary secretary for finance from July.

Cambodia

Commentary on Khieu Samphan's New Year Message

BK1404035795 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 13 Apr 95

["Political commentary": "Poking at a Wound That Does Not Hurt"]

[FBIS Translated Text] Yesterday, while people throughout the country were preparing to celebrate the new year of the pig—2539 of the Buddhist era—the ringleader of the outlawed Khmer Rouge made an insane call to intensify the so-called people's war. In his new year's message on clandestine radio, Khieu Samphan, the nominal leader of the Khmer Rouge, stridently called on combatants and so-called nationalists to intensify all forms of war against the so-called Vietnamese aggression, Vietnamese puppets, and cheap puppets of UNTAC [UN Transitional Authority in Cambodia].

There is an old saying: Words reveal a person's nationality; behavior reveals his upbringing. The fact that Khieu Samphan dared to talk about warfare and fighting during the new year—an occasion when our people are striving to cleanse themselves to achieve goodness in the new year—reflects his warmongering and power-hungry nature and most perfidious ambition. Like a number of Khmer Rouge leaders, Khieu Samphan never wants to see our people happy and prosperous, celebrating festivals, enjoying themselves, or being successful under the shade of the king. To achieve their ambition of returning to power to massacre the people once again, these people do not hesitate to plunge the motherland, which has been ruined by war for over two decades, into a pool of blood and tears.

Their ambition is great but their current capability is nonexistent, and will be more so in the future. In the view of military analysts in Cambodia, the Khmer Rouge currently have no more than 3,000 fighters, compared to 1993 when they had 10,000. Therefore, the Khmer Rouge certainly cannot solve anything militarily; they cannot use the military battlefield to seize power. On the psychological battlefield, the Khmer Rouge have suffered an even more serious blow. Having suffered repeated blows in all fields, the Khmer Rouge leaders have changed strategy and ordered their troops to carry out indiscriminate massacres and destruction, particularly against our compatriots in remote areas. They shout that they hate the Vietnamese, but they burn Cambodian houses and destroy Cambodian schools, bridges, and railway lines. These activities have greatly isolated the Khmer Rouge. The Khmer Rouge have not only failed to recruit people to fill their ranks, but many of their demoralized commanders and troops have deserted and returned to society and the nation. In 1994 and the first quarter of 1995 alone there were over 8,000 Khmer Rouge returnees.

For this reason, during a meeting with Thai businessmen in Bangkok, Second Prime Minister Samdech Hun Sen clearly stated that the Khmer Rouge no longer represent a political or military threat to the Royal Government. Therefore, Khieu Samphan's call for the intensification of the so-called people's war is just a morale booster and an attempt to encourage the Khmer Rouge's demoralized and desperate officers and troops.

Other analysts of the Cambodian situation say Khieu Samphan's efforts (?to talk about this issue) this year are

due to the Khmer Rouge fondly remembering their victory 20 years ago, on 17 April 1975. Yet everyone knows that in 1975 the Khmer Rouge tricked the nationalist forces, using them to seize power. Once in power, they carried out barbarous activities against nationalists and the Cambodian people.

It is now April 1995, 20 years later. The situation has completely changed. The people clearly know what the Khmer Rouge are. Therefore, our people will not be taken by surprise or lose vigilance and allow the Khmer Rouge regime to return. What the Khmer Rouge did in 1975 can no longer be used to attract people and nationalist forces.

In short, Khieu Samphan's call for others to follow him in the struggle against the Royal Government—born from free and democratic elections—will achieve nothing. It will only rekindle our people's anger and their memory of bitter souvenirs and the souls of relatives and friends who were killed when the Khmer Rouge held power for nearly four years.

Previously, in order to follow the national reconciliation policy of his majesty the king, the people made efforts to forget the past. The Khieu Samphan group's stubbornness in continuing the unending and bloody war to destroy the nation, however, compels our people to fulfill their duty to the nation and motherland and prevent the outlawed rebels from returning to power. This is the essence of the saying: Poking at a wound that does not hurt.

Khmer Rouge Urged To Rejoin 'National Society'

*BK1304121695 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT
12 Apr 95*

[“Political commentary:” “The New Year is Waiting To Give Blessings to Compatriots Who Have Been Misled Into Joining the Khmer Rouge”]

[FBIS Translated Text] On Tuesday, 11 April, His Majesty King Norodom Sihanouk Varaman of the Kingdom of Cambodia and her majesty the queen, accompanied by His Excellency Ing Kiet, deputy prime minister and minister of public service and transport, inspected Route 6A about 5 km north of Chruoy Changva Bridge.

It should be noted that the construction of this national highway began in 1962 and was completed in 1966. This road was called the Sangkum Reas Niyum. It is 44 km long and stretches from Chruoy Changva Bridge to Route 6, which links Phnom Penh with Kompong Cham, Kompong Thom, Siem Reap, Stung Treng, and Kratie Provinces. It has been almost completely destroyed during the last two decades of war.

In 1992, his majesty the king, in his capacity as chairman of the Supreme National Council, called on the Japanese Government to help rebuild Route 6A. The construction of the Chruoy Changva Bridge was completed on 8 December 1994 and the construction of the road is

scheduled to be completed in November 1995. The opening of this worksite was presided over by Prince Krompreah Norodom Ranariddh, first prime minister, and Second Prime Minister Samdech Hun Sen. The Japanese Government has given \$29.94 million for the reconstruction of Route 6A to be carried out by a Japanese company called (Maiza) under the supervision of the Pacific Consultant International Organization together with the Ministry of Public Works and Transport. This national highway is 7 meters wide and has a 1.5-meter shoulder on both sides. It has 26 bridges, of which 19 have been rebuilt.

Various analysts have said the fact that the king went to inspect Route 6A prior to the traditional new year clearly shows the attention he pays to the restoration of our motherland's ruined infrastructure. Therefore, this is a new gift to our nation in this new year—the year of the pig—B.E. [Buddhist Era] 2539. The repair of Route 6A and the Chruoy Changva Bridge constitutes clear proof of the support and assistance of the international community to our people and Kingdom. At the same time, the mechanism to supervise the repair of this national highway also attests to the honesty of the Royal Government of Cambodia [RGC], which has clearly defined its policy that it will cooperate in coordinating facilities for unilateral or multilateral aid projects and then await their outcome.

The inspection trip also reflects his majesty's clear-sighted idea regarding national reconstruction and development. It is also a sign for those compatriots that have been misled into serving the outlawed Khmer Rouge rebels that even foreign countries such as Japan, thousands of kilometers away from our motherland, pity our country and people and give money to help restore and develop our motherland. Why must those with Cambodian blood—those of the Angkor race—use weapons to attempt to destroy the people's happiness and the nation's achievements? Are such activities reasonable? Especially during our traditional new year, can you please lay down your arms and bring your wives and children to join in the celebration of our new year? You must be well aware that there is no longer any way for the outlawed Khmer Rouge ringleaders to return to national society. The only way to deal with them is to drag them to an international tribunal for trial, as was done with Hitler's followers in the past.

A high-ranking RGC military officer recently said that the government Armed Forces will be able to capture Khmer Rouge leader Pol Pot with cooperation from Thailand and the United States. In a statement on 9 April, General Nhoek Bunchhai said government forces would be able to capture Khmer Rouge leader Pol Pot if Thailand and the United States help prevent this Khmer Rouge leader from fleeing west into Thailand.

In this case, the choice that our compatriots should make is to desert the killers of their own nation and return to our national society to rebuild a happy family under the shade of our adored king.

Koh Kong Governor on Dam Project Oversight
95P30083B

[FBIS Editorial Report] The 9 March Bangkok daily MATICHON in Thai on page 17 published remarks by Koh Kong Province Governor Rung Phlamkeson on plans to address the province's power generation needs. Koh Kong currently buys its electricity from Trat Province, Thailand.

According to Rung, the planned Stung Nam hydropower facility, in addition to meeting Koh Kong's electricity needs, will generate a surplus for transmission to Phnom Penh. "The government has assigned oversight responsibilities for Stung Nam to General Tie Banh, deputy prime minister and defense minister. Now we are only awaiting Thai approval for the project," Rung said.

Discusses Border Trade

95P30083A

[FBIS Editorial Report] The 11 March Bangkok daily MATICHON in Thai on page 17 reported the comments of Koh Kong Governor Rung Phlamkeson on the planned establishment of a duty-free zone, to be located opposite Ban Hat Lek, Thailand. Rung noted the chronic trade imbalance in Thailand's favor and claimed the duty-free zone would "create a balance" in crossborder trade. If the Ban Hat Lek border market is successful, Rung said, other duty-free zones will be established along Koh Kong's coastline and the rest of the Thai border. Rung remarked that since the Cambodian Government had ordered the closure of smuggling routes at Sre Ampil District, Koh Kong's trade and tourism "have dropped sharply."

Indonesia

PRC 'Expansionism' in South China Sea Decried
BK1304122995 Jakarta MERDEKA in Indonesian
13 Apr 95 p 6

[Article by Dr. H. Ruslan Abdulgani, a political observer, former minister of foreign affairs, and former permanent representative of the Republic of Indonesia to the United Nations: "Chinese Irredentism and Expansionism in the South China Sea"—italicized passages published in English]

[FBIS Translated Text] "We are concerned about China's creeping irredentism and expansionism. The South China Sea is a very important trade route for us, not only with Southeast Asia, but with the Middle East and Europe. About 75 percent of Japan's oil imports pass through this sea, as does much inter-Asian trade. Our economic security is at stake." (Masashi Nishihara, director of the Japanese Defense Research Institute, as quoted by THE INTERNATIONAL HERALD TRIBUNE on 4 April 1995)

China's New Claim

Political dynamism in the Asia-Pacific region has turned our attention away from tension around the Spratly Islands to the South China Sea. The Spratlys, which have potential oil and natural gas reserves, are situated in the middle of the South China Sea. The islands have long been claimed by several surrounding countries—China, Vietnam, Malaysia, Brunei, the Philippines, and Taiwan.

The South China Sea is geographically located as a vital channel between the Indian Ocean and the Pacific Ocean. Lately, China has claimed that it has de facto sovereignty over the sea. The claim is based on the fact that Chinese vessels had for centuries sailed through the sea to Southeast Asia. China's propaganda machinery has stressed the existence of historical documents about the matter.

It is an *unquestionable and incontrovertible historical evidence*, Chinese Foreign Minister Huang Hua said in 1977 following the death of Mao Zedong. This was also cited by Dr. Andrew Forbes from Hong Kong in THE ASIAN WALL STREET JOURNAL on 6 April.

The historical evidence is very *dubious*. Apart from this, China's new claim has provoked reactions from Japan and the United States because the sea is a vital channel between the Indian Ocean and the Pacific Ocean, as stated earlier.

Reactions

Unlike Japanese reaction, U.S. reaction is *low-keyed*, subdued, and moderate. General Tetsuya Nishimoto, chief of the Joint Staff of the Japanese Defense Agency said that the Chinese claim had caused a deep concern, more so as China had long boosted its maritime power.

Masashi Nishihara, director of the Japanese Defense Research Institute in Tokyo, stated that the South China Sea is very vital as a maritime route not only between Japan and Southeast Asia but also between Japan and the Middle East and Europe. About 75 percent of Japan's oil imports pass through this sea as does much inter-Asian trade. According to Masashi Nishihara, *Japan's economic security is at stake*, as I quoted him as saying earlier.

It seems obvious that tension around the Spratlys has intensified and extended to the entire South China Sea.

In the meantime, Japanese capital and technology have long been active in oil exploration and exploitation activities in part of the Spratlys claimed by Vietnam. Japan, which has in fact gained concession from Vietnam, has discovered oil reserves with a potential capacity of 10,000 barrels per day.

China once warned Japan not to get involved in the Sino-Vietnamese dispute over the Spratlys. However, Japan is unlikely to back down, more so because of the Philippines' current hard-line stance against China.

Vietnam, too, has been more vocal recently in facing Chinese irredentism and expansionism in the Spratlys and the South China Sea.

Indonesia's Anxiety

Southeast Asian countries are even more concerned about the Chinese policy. Indonesia itself, which does not claim the Spratlys, feels that its interests are linked to the free maritime route in the South China Sea. If the free maritime route is disrupted, the Wallace Line will serve as an alternative route. The line is made up of the very deep straits of Lombok and Makassar linking the Indian Ocean with the Pacific Ocean.

The matter was raised by Retired General Edi Sudrajat, our minister of defense and security, several days ago.

Indonesia is also concerned about the status of the Natuna Islands, over which we have sovereignty. The Chinese claim could disrupt stability in all of Southeast Asia. This being the case, ASEAN is closely monitoring China's southward maneuvers.

The South China Sea has an area of 850,000 square miles or about 2,500,000 square kilometers and an average depth of 3,740 feet.

Valley of the Skulls

Prior to World War II, the sea was eyed by Japanese fleets. The Japanese fleets occupied the sea as part of Japan's military operation into Southeast Asia. The hegemony was, however, regained by joint British and U.S. fleets in 1945.

A Soviet fleet was once based at Cam Ranh Bay. The United States launched systematic bombing raids against Vietnam and Cambodia from the Gulf of Tonkin at the height of the Cold War and the Vietnam war in 1964. According to documents cited in the book *An International Atlas of the New State of War and Peace* published by Grafton Books, London in 1991, the South China Sea has been dubbed *the Valley of the Skulls* because no fewer than 3 million soldiers and people from various belligerent nations have died in the South China Sea and on its shores since 1945.

The South China Sea is currently a modern theater full of tensions, similar to one prior to World War II. The theater is the same, but the players are different. ASEAN is expected to play a role to cope with the new situation. Will it be able to do so? Let us monitor developments!

Commander Confirms Dissidents Killed, Detained

BK1404092295 Jakarta ANTARA in Indonesian 1913
GMT 13 Apr 95

[FBIS Translated Text] Jayapura, 13 Apr (ANTARA)—Major General I Ketut Wirdhana, commander of the Trikora Eighth Regional Military Command, says that security personnel shot and killed a member of a GPK

[security disturbance movement] calling itself OPM [Free Papua Organization] in Tembagapura in December 1994.

The GPK member was shot and killed when he tried to flee after hoisting an OPM flag, the commander told ANTARA in Jayapura Thursday. In addition to shooting the GPK member, security officials also detained three others suspected of masterminding the incident.

"Therefore, what the foreign press said on 6 April about massive arrests in the area is untrue," said the commander, who was accompanied by Lieutenant Colonel Subagio, head of the Information Service of the Trikora Eighth Regional Military Command. He said one of the three detained men is an employee of Freeport Co. Ltd, the largest mining company in Irian Jaya. The extent of the Freeport employee's involvement in the incident is not yet known because the suspects are still under intensive interrogation.

International Press Delegation Ends Visit

BK1404030695 Hong Kong AFP in English 1316 GMT
13 Apr 95

[FBIS Transcribed Text] Jakarta, April 13 (AFP)—An international press delegation ended a visit here Thursday, saying that conditions for a free Indonesian press had deteriorated in a climate where official interference has bred insecurity and fear.

"The mission has found universal recognition within media that the conditions for press freedom have deteriorated rapidly since the closure of *Editor*, *DeTik* and *Tempo*," the general secretary of the International Federation of Journalists (IFJ), Aidan White, told a news conference.

The three leading weeklies were closed without warning in June of last year in a move seen as retribution for their consistent criticism of government policy.

"There is widespread and legitimate concern that the press situation will worsen further to the detriment of democracy in Indonesia," White said, reading from a statement outlining the five-member delegation's initial findings.

Seven people were arrested earlier in the day when about 20 activists protested in front of the Department of Information while members of the delegation tried to secure meetings with officials there.

The director of the Jakarta Legal Aid Institute Luhut Pangaribuan told AFP that a total of seven people had been arrested by the military and taken to Central Jakarta Police Station where they continued to be questioned.

The delegation eventually met with Subrata, director general of press and graphics, who announced the banning of the three magazines last June.

The IFJ mission itself was triggered by the arrest last month of three members of the Alliance of Independent Journalists (AJI) for distributing their underground magazine, *Independen*. The AJI is an associate organisation of the international journalist grouping which represents 100 national media associations in 94 countries.

Among other things, the delegation found improper self-censorship had become the norm throughout the Indonesian media, journalists could not speak openly and individual journalists were being threatened with the loss of their livelihood.

It said the harassment of journalists and "constant threats" to withdraw publishing licenses had undermined Indonesia's press.

It recommended an end to what it called the arbitrary practice of using ministerial decree to control the media. It called for a new legal framework for freedom of the press.

The delegation included representatives from the International Confederation of Free Trade Unions, the Netherlands Association of Journalists, Australian Journalists Association and the European Parliament's Human Rights Commission.

White said the final report of the delegation would go to the IFJ's international conference in Spain next month as well as to United Nations bodies, including the UN's Commission on Human Rights.

Members of Indonesia's National Commission of Human Rights said they were more optimistic about Indonesian press freedoms than the IFJ delegation.

"We don't quite share the pessimism of some people, as of course there are ups and downs in the process," said Marzuki Darusman. He cited the creation of four private television networks as a positive development.

Another commission member, Miriam Budiardjo, asked the IFJ delegation to remember Indonesia's turbulent history and the past problems with democracy when trying to understand the high level of government control.

Editorial Criticizes 'Biased' Western Press
BK1204163495 Jakarta MERDEKA in Indonesian
11 Apr 95 p 6

[Editorial: "Western press is not objective"]

[FBIS Translated Text] The Western press continues to carry biased reports, even on the eve of the 21st century. It continues to adopt an attitude of superiority and likes to pontificate to developing countries, which it sees as inhabited by people with backward civilizations. We experienced the Western press' contempt when Indonesia was still ruled by the late President Sukarno, who was ridiculed personally and portrayed as a dictator and a womanizer. Since the establishment of the New Order,

President Suharto has not been able to escape harassment and exaggerated reports from the Western press. The Western press recently even launched sneaky campaigns on the East Timor issue and Indonesia's human rights situation.

It is now Malaysia's turn to become the victim. Without any proof or reason, TIME magazine has accused Malaysia of training "Arab terrorists". Prime Minister Mahathir Mohamed certainly does not want to keep quiet. He firmly said the TIME report is the latest example of the Western press' irresponsible reporting. The magazine has no right to include Malaysia with Iran and Libya. Mahathir even invited TIME correspondents to come to Malaysia, saying: "What they want to say about other countries is not our business, but when they say this about Malaysia, I would like to see TIME come here and make a report here, make an allegation here that we are training terrorists in this country."

Before this incident, FORTUNE magazine, which enjoys a reputation as a leading U.S. business magazine, provoked the indignation of Malaysians with its speculative report that Malaysia would suffer a fate similar to that of Mexico. When the news broke that Mexico had devalued its currency due to its huge financial deficit, FORTUNE wrote that Malaysia was most likely to follow by devaluing the ringgit. Before the FORTUNE incident, CNN carried groundless allegations that Malaysia had supplied arms to the besieged Bosnians.

Other countries which often become the target of the Western press are the PRC, Vietnam, African, and Middle Eastern countries. Developing countries in general are often the target of the Western press which view them in a distorted way. People in these countries are described as backward, victims of authoritarian regimes which trample on people's rights, or ruled by a military regime which cultivates the culture of "fear" and oppresses local people for the benefit of foreign capitalists.

Countries in the Nonaligned Movement have established a Nonaligned Information Order, but up to now we have not seen any sign which shows that these countries can end their dependence on Western news agencies, which are supported by sophisticated technology and substantial capital. As long as developing countries are dependent on the Western press for the source and distribution of information, the Western press will continue to capitalize on this gap so as to impose its superiority.

Statistics Official Concerned Over Inflation
BK120412595 Jakarta BISNIS INDONESIA in Indonesian
6 Apr 95 p 1

[FBIS Translated Excerpt] Jakarta (Bisnis)—Sugito S., head of the Central Statistics Bureau, has voiced concern that this year's inflation rate may reach the double digits as a result of the multiplier effect [two preceding words in English] of the 40 percent increase in the price of cement.

"The increase in the cement price worries us because it will be hard to curb the inflation rate. The increase will also have a multiplier effect on the price of other commodities," he told reporters here yesterday. He believes that the increase in the cement price will indirectly affect the price of other commodities. As such, the government's projected annual inflation of 5 percent will be very hard to achieve; inflation may even surpass 10 percent.

Nevertheless, Sugito pointed out, at 0.57 percent the inflation rate in March 1995 was lower than the corresponding month in 1992 (0.65 percent), 1993 (1.49 percent), and 1994 (0.70 percent). As for the inflation rate in the last five years, from 1989 to 1994, the lowest inflation rate was recorded in 1992 at 4.94 percent and in 1989 at 5.97 percent.

The cumulative inflation rate from January to March 1995 now stands at 3.04 percent, higher than the corresponding period in 1994, when it stood at 1.31 percent.

Sugito said the April inflation rate is likely to be high in view of the increase in the price of other commodities such as lubricating oil, printing paper, electricity, and housing and the new minimum wage for workers. [passage omitted—comments by businessmen]

Thailand

Chuan Questions Report on Massacre in Cambodia

BK1404042495 Bangkok BANGKOK POST in English 14 Apr 95 pp 1, 3

[FBIS Transcribed Text] Prime Minister Chuan Likphai yesterday questioned the accuracy of information supplied by Phnom Penh on the massacre of 22 Thai loggers in Cambodia late last year.

The Cambodian government has blamed the Khmer Rouge for the brutal killings but Army Commander-in-Chief Wimon Wongwanit has challenged the Cambodians to produce evidence to substantiate the claim.

Mr Chuan said he has already received reports on the discussion between Defence Minister Wichit Sukmak and his Cambodian counterpart on the issue as well as investigation reports from the Cambodian government.

"Thailand is still uncertain whether the information given to us by Cambodia was based on what really happened," Mr Chuan said.

To make things clearer, he said, the military wanted the BLP Import-Export Co, the Thai logging firm which employed the 22 Thai workers, to provide further details to Thai authorities.

However, Mr Chuan said Thailand could not use violence to retaliate against Cambodia over every border problem. Cross-border incursions by Cambodian soldiers onto Thai soil or robberies of Thai villagers by

Cambodian forces would be subject to strong retaliation. But general border problems would be taken care of by the Joint Thai-Cambodian Border Committee.

Mr Chuan also defended Foreign Minister Krasae Charnawong against criticism that he was slow in solving border problems between Thailand and Burma, saying he had never thought of Dr Krasae like that and felt the minister had been working to the best of his ability to coordinate efforts with all the agencies concerned to settle all such problems.

Dr Krasae was criticised for being slow in clearing up the killing of a Thai man by Burmese soldiers earlier this month.

Thawi Khamtankaeo, 38, a Chiang Rai native, was shot dead by Burmese soldiers while trying to cross the Mae Sai River back into Thailand after illegally visiting Burma's Tachilek border town.

Mr Chuan insisted that he would not let Thawi die without compensation if investigations found that he was not in the wrong.

He said Dr Krasae had always adhered to government policy on foreign affairs.

The Interior Ministry, meanwhile, is seeking the official closure of Thai-Burmese border checkpoints in Chiang Rai, Tak and Ranong in the wake of border fighting between Burmese troops and minority groups which could threaten the lives and property of Thai people, according to a ministry source.

The source said Interior Permanent Secretary Ari Wongaraya had sent an urgent letter to the National Security Council (NSC) last week requesting it hold a meeting to discuss the possibility of officially closing checkpoints in Chiang Rai's Mae Sai District, Tak's Mae Sot District and Ranong.

The first two border checkpoints, however, have already been ordered closed by the Burmese government.

The source said after the Songkran festival, the NSC is to call a meeting of the agencies concerned to arrive at conclusions on the matter.

There are now no permanent border checkpoints between Thailand and Burma but both countries are negotiating on the possibility of turning temporary passes into permanent ones.

The source also said that Interior Ministry officials who attended a meeting with the NSC last week had blamed the military for allegedly "taking sides" with Burma over Thawi's shooting.

Gen Wimon said Thawi was reportedly mentally unstable and that Burmese soldiers had to kill him to protect their border security. Thawi was also reportedly in possession of a toy gun but the Burmese soldiers had

already taken it off him before he ran across the river back to Thailand. He was shot as he was nearing the Thai side of the border.

However, the source said a report sent to the Interior Ministry recently confirmed that Thawi did not have any mental problems.

A senior Interior Ministry official also reportedly blamed Dr Krasae for allegedly taking no action over Thawi's death.

"What was the use of Dr Krasae going to Burma as he failed to mention anything about the killing of a Thai citizen by its soldiers," he said.

The Army, however, appeared optimistic that the Mae Sai-Tachilek border checkpoint would be re-opened soon.

Assistant Army chief Chettha Thanacharo said, the checkpoint would be reopened after fighting between Burmese government troops and minority groups had calmed down so that cross-border trade between the two countries could resume.

Gen Chettha warned Thai people to be careful about entering border areas as many landmines have been planted along the Thai-Burmese border.

Gen Chettha, however, said the situation on the Thai-Burmese border is presently considered as less serious than the problems on the Thai-Cambodian border. The checkpoint at Khlong Luk in Sa Kaeo opposite Cambodia's Poipet has already been closed following heavy fighting there.

DPRK To Buy More Rice, Repay Rice Debt

BK1404092095 Bangkok Radio Thailand Network in English 0000 GMT 14 Apr 95

[FBIS Transcribed Text] The Ministry of Commerce will sell 300,000 tons of 35 percent white rice to the Democratic People's Republic of Korea on a 2-year credit term. The Public Warehouse Organization, the state enterprise under the Ministry of Commerce, has been entrusted by the Cabinet to sign the rice deal with North Korea. However, North Korea must first pay debt of 23.2 million U.S. dollars for 100,000 tons of rice purchased from Thailand in 1993. The repayment period is due between April and August this year.

The Ministry of Commerce says the rice sale to North Korea this time involves 101.9 million U.S. dollars. The main purpose of the sale is to shore up prices of the 2d rice crop and respond to the North Korean demand on the basis of cordial relations between the two countries. The rice deal to be signed with North Korea is similar to that signed earlier by Thailand with Russia.

Chaiyot Holds Talks With Kuwaiti Minister

BK1304153595 Bangkok SIAM RAT in Thai 13 Apr 95 p 9

[FBIS Translated Text] Speaking after receiving the Kuwaiti commerce minister and his delegation, Deputy

Commerce Minister Chaiyot Sasomsap said he and the Kuwaiti officials discussed bilateral trade. The volume of trade between the two countries is \$190 million, with Thailand suffering a \$900,000 deficit. Thailand imports crude oil and bunker oil from Kuwait and exports textile products. Kuwait is interested in importing processed Muslim food; Thailand is now promoting the export of this product.

Chaiyot said Kuwait expressed its intention to participate in the Worldtech Fair to be held soon in Nakhon Ratchasima Province. Kuwait sees investment in Thailand as having considerable potential and clear direction for growth. It will encourage interested Kuwaiti investors to consider ventures in Thailand.

Chaiyot said the Kuwaiti minister wants Thailand to support an increase in flights between the two countries from the current three per week to five to expand contacts.

Foreign Ministry's Anniversary Marked

BK1404032695

[FBIS Editorial Report] Bangkok THE NATION in English on 14 April carries a "Supplement of THE NATION" on pages B5-B6 entitled: "The Ministry of Foreign Affairs Celebrates 120 Years."

The "Supplement" includes a "Message of the Minister of Foreign Affairs On the occasion of the 120th Anniversary of the Ministry of Foreign Affairs" dated 14 April. The message reads:

"April 14, 1995 is an especially important day, since it is not only the Ministry's birthday but also the 120th Anniversary of its establishment in 1875. On this auspicious occasion, I would like to inform Thais about the Ministry of Foreign Affairs's developments, its present duties as well as its policies, as outlined below."

After briefly sketching the Ministry's history, the message continues:

"Throughout its 120 years, the Ministry has concentrated on improvement and adaptation in order to efficiently develop alongside the changing situations both locally and overseas. Especially at present, in the era of information and technology, the relationship between Thailand and other countries has been expanded. Also, economic factors are becoming increasingly important and inherently related to political factors, which are essential to every country informing and maintaining relations with other nations. In 1991, the Ministry restructured its organization once again by adding four regional affairs departments, which are working together with the six existing departments."

"The Ministry has also improved its overseas offices such as Thai embassies worldwide and paid closer attention to monitoring their functions. Thus, the Ministry of Foreign Affairs, the main institution responsible for implementing international relations and foreign affairs

policies, has been able to carry out effectively and efficiently government policy achieving maximum benefit for the nation and the Thai people.

"At the present time, the Ministry concentrates on two principal areas; the first being international relations while the second is to serve the people. For the first objective, the Ministry follows the foreign policy objectives as stated by the Prime Minister on October 21, 1992, at Parliament. In addition, apart from providing tremendous support for economic, political, and security matters through peaceful means in the Southeast Asian region, we coordinate with neighboring countries in various activities, maintain and strengthen good relations with other countries and international organizations, and constantly promote the national image. It is indeed a great pleasure that Thailand will be holding the Asian Summit Meeting in the upcoming December.

"To succeed in the objective of serving the people, the Ministry has followed a policy of 'diplomacy for the people' by facilitating faster and more convenient services at the Passport Division, including provision of a mobile passport service to serve people throughout the country. Moreover, through close cooperation with Thai Embassies worldwide, the Ministry is active in assisting all Thais who encounter any trouble overseas. Trade and investment information is available for Thai business persons who would like to invest overseas and we have successfully established the 'Business Coordination Centre'.

"Today, in the fast-changing world of international relations, the Ministry has to constantly adapt itself to keep up to date. Since the Ministry of Foreign Affairs has unique characteristics, I have laid down a policy framework using the acronym 'SPECIAL'. In short 'S' is for structural change; 'P' is for people oriented; 'E' is for economic issues; 'C' is for competitiveness and cooperation; 'I' is for internationalisation; 'A' for advanced management and technology and 'L' for localisation.

"I am confident that the Ministry of Foreign Affairs will continue to implement many projects designed to support and preserve the country's prestige for the betterment of all Thais.

"Lastly, I would like to express my thanks and appreciation to the Thai people for their constant support. I hope that the Ministry will continue to receive such support in the future."

A separate unattributed article is entitled "Economic in the Age of Globalization The Foreign Ministry's Role." It reads as follows:

"In this age of globalization, economics is a major part of global interaction. In this context, trade and investment are a major component of that interaction.

"With the conclusion of the Uruguay Round of Multilateral Trade Negotiations and the establishment of the World Trade Organization (WTO), the international trade regime has both been broadened and deepened. It

has been broadened to include areas not previously covered under the 1947 GATT Agreement and has deepened the commitments under existing areas. The WTO Agreements represent important progress in international economic relations and form the legal underpinnings of almost all the economic arrangements presently existing whether it be APEC [Asia-Pacific Economic Cooperation] or AFTA [ASEAN Free Trade Area] or others.

"As this is the case, one can say that all economic arrangements have a common legal thread. In this context, the emergence of numerous economic arrangements points in one direction—increasing commonality among the parties to these individual arrangements and increasing commonality between the parties to the different arrangements. In the short and medium term, the spread of economic arrangements to cover more and more participants and the broadening and deepening of the said arrangements to cover more areas in greater depth will become evident. In the longer term, however, it may be predicted that these collective economic arrangements and the WTO may become one and the same. That is to say, the WTO will subsume the collective economic arrangements and there will be no difference in their coverage and that of the WTO, making it unnecessary to have economic arrangements outside the WTO. This phenomenon is part of the trend towards global government, a concept which is probably premature at this stage, but which present trends seem to indicate will become the reality of the future.

"In this context of globalization and the related dynamics, how does the Economic Affairs Department of the Ministry of Foreign Affairs of Thailand see its role?

"The Economic Affairs Department's role is a mixture of the old and the new. It continues to deal with bread and butter issues such as the search for new markets and opportunities, paving the way with the aim of furthering the economic well-being and prosperity of the Thai people. In this role, it is well equipped and qualified.

"Trade is highly dependent on good political relations, and in this connection, the Department of Economic Affairs as well as the Ministry of Foreign Affairs as a whole has the international relations expertise and the necessary extensive overseas representation through our Embassies and Consulates-General abroad with which to act. On the economics side, these outposts are also excellent information-gathering devices with a thorough understanding of the local environment. If there is a need for improvement, there is probably a need for better synergy between the customer or end user and the service provider, which is the Ministry of Foreign Affairs as a whole, as to what the requirements of the Ministry are. In this connection, the Department of Economic Affairs has endeavoured to touch base with the Thai private sector to better achieve this synergy.

"The Ministry has always been aware of its public institution nature and, in this connection has always

strived to best serve the Thai taxpayer and the public as a whole. The Ministry is constantly trying to find ways to better illustrate the role it plays in the public interest and getting valuable feedback by bringing the Ministry of Foreign Affairs closer to the people. The Ministry does not just issue passports.

"In the more dynamic context, we are continuously examining and re-examining our role in the ever-changing domestic and international economic environment. How can we best serve the public interest in the context of economic globalization? How can we better rationalize the work of the Ministry of Foreign Affairs and in a wider context, the public sector, so as to increase efficiency by reducing duplication and increase effectiveness by better coordination? In this context, many countries are taking the route of merging their Foreign Affairs and Trade Ministries. This debate has also had its day within the Ministry, but although the concept has its merits, the timing is probably too premature."

Burma Border Trade at 'Virtual Standstill'

*BK1404084495 Bangkok BANGKOK POST in English
14 Apr 95 p 13*

[Report by Phitsanu Thephong]

[FBIS Transcribed Text] The recent fighting near the northern Thai border between Burmese government troops and Karen and Shan rebels has taken its toll on trade and tourism in the region.

Business activities in border towns in the region—touted as part of the Growth Quadrangle area—have come to a virtual standstill.

Foreign investment has not found Burma's political climate and intermittent internal strife to be particularly attractive.

"If the Rangoon troops continue with their drive to suppress Shan forces, it would certainly disrupt the development of economic cooperation in this sub-region," said Silachai Surai, director of the Chiang Rai office of the Tourism Authority of Thailand.

The safety of tourists cannot be guaranteed in Burma, he added.

The so-called Growth Quadrangle encompasses northern Thailand, Laos, Burma and southern China.

Mr Silachai said the battles between the Burmese army and Shan troops loyal to drug warlord Khun Sa were threatening areas that would otherwise be suitable for tourism and trade, particularly Tachilek and Kengtung, two Burmese towns in eastern Shan state.

Poor road conditions in the area haven't helped. Mr Silachai said a Thai-Burmese border joint committee planned to discuss necessary improvements to the infrastructure in the area.

Burma needs to improve energy supplies, telecommunications service and basic technology. Foreign exchange—six kyat to the dollar at the official rate and 100 or more to the dollar on the black market—remains a huge deterrent.

Mr Silachai noted that Burma was attempting to promote tourism by declaring 1995 Visit Myanmar [Burma] Year. The country has enormous tourism potential in terms of natural attractions and culture, he said.

Travelling to Burma could become easier when Mae Sai in Tak province is upgraded to a permanent checkpoint this year or early next year. More tours are anticipated from Mae Sai to Kengtung.

Currently, only three companies—Ananda Business Corp, Five Chiangs Co and Northern Star Group—offer tours from northern Thailand to Kengtung because of the political instability. The tour packages usually include a four-day visit to Kengtung.

Mr Silachai hopes that by the time the SEA [Southeast Asian] Games are held in Chiang Mai in December, travel agents will be able to offer tour packages that include trips from Rangoon via Mae Sai to Chiang Mai.

Last December, about 4,000 foreign tourists visited Tachilek, the Burmese town opposite Mae Sai. The number increased in January and February despite warnings of periodic skirmishes in the area.

"Now we are just waiting for the Government to announce Mae Sai as an official permanent checkpoint. This would really help boost business interactions, border trade and tourism links."

Thailand's private sector has been busy promoting package tours involving the so-called Five Chiangs: Chiang Mai and Chiang Rai Chiang Rung (China), Chiang Tung (Kengtung in Burma) and Siang Thong (Luang Prabang, Laos).

Landmines Kill Two in Burmese Border Town

*BK1404045495 Bangkok BANGKOK POST in English
14 Apr 95 p 2*

[FBIS Transcribed Text] Mae Sai—A Burmese soldier and a civilian died and two others were seriously injured when they stepped on landmines in the Burmese border town of Tachilek on Wednesday.

Thai para-military troopers reportedly heard gunshots and explosions across the border from here early Wednesday morning. They found an injured Burmese man on the Thai bank of the Mae Sai River. He had sustained several shrapnel wounds and was taken to Mae Sai Hospital. When a group of Burmese government troops went to inspect the scene, a soldier accidentally stepped on a mine which blew apart one of his legs. The Thai authorities said the mines were laid to prevent Khun Sa's Muang Tai Army from entering that area.

The route is often used by Burmese crossing the border to buy consumer goods in Mae Sai, and the Burmese authorities apparently failed to warn people about the danger from the mines. After the incident, Mae Sai district chief Phakdi Rattanaphon warned Thais not to cross the border into Tachilek.

Report Describes Smuggling of Chinese Aliens

BK1404092595 Bangkok THAILAND TIMES in English 14 Apr 95 p 1

[Report by Panya Phanphuak]

[FBIS Transcribed Text] Bangkok—Police officers are recently having difficulties eradicating the businesses arising from aliens traveling through Thailand in order to illegally reach other countries, informed police sources told THAILAND TIMES.

"These travelers are considered to pose a threat to the nation's security," said one informed police officer, adding that "especially, the Chinese from mainland China use Thailand as a gateway to other countries, because Thailand has relatively open borders that allow convenient entry and exit."

According to the sources, another reason is that transportation in Thailand is efficient. Some entrepreneurs are aware of the situation and starting businesses and alliances to even further facilitate the entry of aliens into Thailand.

The reason why Chinese must use another country as a gateway to a third country is because the Chinese government imposes difficult traveling restrictions on its citizens. Often, the best way to avoid these restrictions is to travel via another country. The Fujian Chinese are the ones who most want to emigrate as are those who live in the northern part of Thailand.

The most popular destination for the mainland Chinese is the United States, because they can be granted asylum as political refugees.

"The commission they pay is not considered wasted, as they can earn greater amounts of money while working in America and can eventually become citizens after which they may legally travel to any country," disclosed another informed police source.

The Chinese who are attempting to emigrate, called "Luk Moo", contact brokers called "Lao Pan". Those related to Luk Moos almost always emigrate using their help. To arrange emigration, an informal agreement has to be made between the three parties of the Lao Pan, the Luk Moo and the Luk Moo's relatives in which they have reach an agreement about payment. Luk Moos have to make a partial payment to be taken out of China. The remainder is paid once they have reached their destination country.

Lao Pans, some of which are Thais, often take Luk Moos to Thailand after they have succeeded getting them out

of China. The Lao Pans provide residences in hotels in Bangkok and the outlying districts for the Luk Moos who simply wait for the processing of papers to travel to a third country. The Lao Pans handle the details, including the forging of documents, passports and visas. Meanwhile, the Luk Moos prepare themselves for departure on an unknown date.

"When all the papers and the plane tickets are ready, the Luk Moos pass through Don Muang's [Bangkok airport] immigration checkpoint with the help of certain officials who see that the travel documents are not checked; the officials are contacted by phone calls or by code via mobile radios. They are informed of the details of each Luk Moos' travel itinerary. Then, the officials notify their colleagues through the same means and the Luk Moos are allowed to pass the immigration check without hassle," disclosed a senior police officer.

In addition, contacts are made to airline officials who prepare a boarding pass for each Luk Moo. The boarding pass is very useful, because Luk Moo can present it to officials of any stopover country in lieu of their passports.

In case a Luk Moo is arrested at another country's immigration checkpoint and then sent back to Thailand, the Lao Pan sees to it the Luk Moo will not have difficulties when returning. The airline officials will escort the Luk Moo back to the Thai immigration officials who are in charge of investigating the situation and prosecuting the Luk Moo.

However, some of the immigration officials may be part of the contact network; they will come up with legitimate travel documents which prove the Luk Moos' native countries, normally either China or Cambodia, so they may be extradited home. Often, the Luk Moos are turned directly over his Lao Pan who is waiting in the airport," said the same source.

Another method for emigration is for aliens to enter Thailand as tourists. They are allowed to stay in Thailand for up to three months. Those who do not want to leave Thailand for a new visa contact their original travel agencies. The travel agency employees contact immigration officials who feed departure data into their computers.

Sometimes travel agencies' officials deceive the aliens by providing them with forged visas.

Official data collected over the past few years show that there are several groups working in this business:

A woman named Jey O, who lives on Sukhaphiban 1 Road, Bangkapi, keeps her Luk Moos in the area of Ram Inthra km 8. Her assistant as well as accomplice is a Chinese.

Another gang is controlled by a certain Jey May who uses a gem shop for cover. She hides her Luk Moos in Sukhumvit Soi 103 and provides them with counterfeit

identification cards. She herself even carries a counterfeit identification card which once belonged to a member of the Yao tribe, now deceased.

Another man named owns a travel agency in the area of the Hua Lamphong Railway Station. He owns a gang which employs a great number of assistants which include Chinese gunmen. He brings Luk Moos from Fujian and is known to traffic illegal drugs. His contacts are in Hong Kong.

There is also a couple who operates out of a condominium which they use as their cover. They hide Luk Moos in the Suthisan area and in an apartment on Phet Buri Rd.

The main contact who is well-connected with officials and who forges counterfeit documents for Luk Moos is known as Hia Rak. He is well known as an expert forger of counterfeit passports and identification cards.

He is very effective at transporting Luk Moos with forged passports into various countries.

His base of operations is a cafe near the intersection of Ratchadaphisek and Lat Phrao.

According to police information, a "Hia Boo" is also infamous in the business. He charges Luk Moos a low price and has not been involved in any trouble. He is also known to send girls for overseas prostitution. He provides counterfeit Singaporean passports as well as Japanese and Korean ones. He is intimate with Immigration's arrival and departure officials and is backed by influential people. He also has the power to influence local police officers when a Luk Moo is arrested.

Another gangster is named "Ot" or "Doctor." He did not succeed in this business, maybe because his prices were too high. "Almost all of his business has been snatched by Hia Boo; however, he is well acquainted with the Don Muang immigration officials, too. He deals in the purchase and sale of counterfeit passports," disclosed a senior officer. His transactions are carried out at a karaoke establishment in front of the Chatuchak District Office on Phahonyothin Rd. There is also Hia Phieu who is very efficient at transporting prostitutes to Japan and Hong Kong.

Other people known to be involved in this business are Ah Ming, Ah Hur, Ah Long, Ah Zhen, and the Bangkhae Jeh.

This illegal business is as profitable as drug trafficking, but the punishments are no where near as severe. As a result, countless of these operations have arisen. Police officers have to keep an alert watch.

If immigration officials could not be bribed, this business would be very difficult to carry out. It is quite difficult to follow the activities in these businesses. Major exchanges of money are often made in a Chinese restaurant on the third floor of the airport's departure section, or in cars parked on the ground floor of the

parking lot," disclosed the same officer. Because governmental officials take part in this business, its eradication is very difficult.

Article Examines Mekong Development Pact

*BK1304152895 Bangkok THE NATION in English
13 Apr 95 p A6*

[Article by Mali Traisawatdichai: "In the Name of Development Mekong Exploited"]

[FBIS Transcribed Text] The mighty Mekong River once acted as the boundary of the United States' influence in the region when Cold War anxieties were running high. Today however with the collapse of the Soviet Union and communist states going on a path of "market Leninism", a euphemism for embracing the markets, the Mekong now is viewed as a source of untapped resources.

Through the newly-formed Mekong River Commission, the emerging economic powers in the region will utilize the river to generate dollars, now that Cold War barriers have broken down, and both ideologies share a common language of economics.

Originally conceptualized to promote the capitalist model of development in containing the spread of communism in 1957, the commission's predecessor, the Mekong Committee, modelled the Mekong development scheme on the U.S.'s grandiose river development. Today what remains of this dominant vision of development for the Mekong is far from remarkable.

"The Mekong Agreement and the formation of the Mekong Commission have assured us that we can, from now on, slice much bigger pieces of cake on the plate. It has been a pity to let the Mekong River, with abundance of water resources, just flow to the sea. Yet, this is no longer the case," said Krit Khotchanakunchon, director general of the Thai Foreign Ministry's Department of Treaty and Legal Affairs.

Dr Krasae Chanawong, Thai Foreign Minister, also noted: "The development from now would be done in a very convenient manner because we have the agreement to support that."

The Chiang Rai Conference, where the four lower Mekong countries gathered to sign the so-called historic Agreement on Sustainable Development of the Lower Mekong Basin, strategically marked a geopolitical turning point for the riparian states' (namely Laos, Cambodia, and Vietnam) policy in trying to fit into the region's new economic order.

Following the collapse of the former Soviet Union, Laos and Vietnam have desperately been seeking foreign capital to meet the sudden cut-off in aid they were receiving from the Soviet bloc countries.

As a matter of survival in the post-Cold War world, Vientiane and Hanoi introduced reforms in their economic policy that embraced a free market economy. Also, Cambodia was seeking foreign capital for reconstructing the kingdom from scratch.

In the meantime, the United States' aggressive promotion of the New World Order, replaced almost half a century of superpower conflict in Asia. With U.S. foreign policy in the realm of "commercial diplomacy" rather than containing communism, states in the region were now set to emerge as economic powers.

Thailand, whose development relies greatly on exploitation of its neighbors' natural resources, was eager to spread its influence into Indochina.

Against this backdrop, the Mekong Commission, as eyed by the Indochinese countries, serves as the channel to attract foreign capital from donor communities. The commission, on the other hand, is an instrument in legitimizing Thailand's expansion over the use of the Mekong's resources.

Yet, the unequal pace of development between Thailand and the three Indochinese states—Laos, Cambodia and Vietnam—indicates that there will be some sort of neo-colonial domination by Bangkok.

The whole Mekong Agreement itself seems to favor Thailand with its "loose" approval process for the diversion of water from the main river.

The 1995 Mekong agreement, superseding the 1957 statute and the 1975 principle of water use, significantly, allows the riparian states to directly proceed their projects both on the Mekong mainstream and its tributaries subject to one exception. The exception is that states are required to seek specific agreement only for interbasin water diversion projects in the dry season. This has left out the former prior-consent requirement of the 1975 declaration.

The new rule on the use of water from the Mekong defines four categories of approval needed for project proposals. They are prior notification, prior consultation, prior consultation with the aim at arriving at the agreement, and the specific agreement, for projects which involve intra-basin diversion in the wet season, intra-basin diversion in the dry season, inter-basin diversion in the wet season, and inter-basin diversion in the dry season, respectively.

"The new rule is a lot better than the past. Now in the wet season we can pump as much water as possible. Then, in the dry season, we can just leave the project temporarily to avoid seeking 'specific agreement' from other riparian states. But there will be no problem as we have stored up enough water in the wet season," said Dr Prathet Sutabut, director general of the Department of the Energy Development and Promotion (DEDP), defending the new rules.

In Chiang Rai, Thailand was quick to propose a bunch of ambitious water diversion and hydropower projects. One of them, the diversion of water from Pak Lay and Pak Lai towns in northern Laos to supply water for the drying Sirikit Dam in the Chao Phya Basin, caught Vientiane off-guard.

"We have not been informed by Thailand. We think the project is not possible under the Mekong Commission. The principle of water use in the signed agreement does not cover the diversion of water from other riparian states' territory," said a senior official of the Laos National Mekong Committee.

The proposed scheme is the second mammoth inter-basin water diversion after the Kok-Ing-Nan planned to feed the 13,000 million-cubic-meter Sirikit Dam in the Chao Phraya basin.

Thailand's difficult-to-satisfy demand for irrigation water, coupled with Bangkok's aggressive promotion of water diversion schemes, are worrying the other Indochinese states that one day the Mekong will dry up:

"Thailand has many irrigation projects. So we have to be careful about Thai projects, as they may divert too much of the Mekong water," said a senior official of the National Mekong Committee of Laos. "It is essential that the minimum natural water flow levels the Mekong Secretariat is going to work out should not be too low; otherwise the Mekong water will dramatically drop from a number of future projects."

The Laotian official added: "Irrigation projects irreplaceably consume large portions of water than hydropower projects. At least, water that generates electricity will eventually flow back to the river."

With enthusiasm, Thailand welcomed China and Burma's presence as observers to the inauguration of the Mekong Commission. So far, however, the two upper basin states have remained noncommittal on joining the commission, and have adopted a wait-see-attitude.

If China decides to join the Mekong Commission, it will be a dream come true for Thailand, for Bangkok together with an international consortium have plans to construct a cascade of 15 dams on the Mekong mainstream. This scheme is still on hold pending approval from China.

China in turn, if Beijing gives its green light, will gain access to Thai markets and at the same time have access to the electricity produced for its burgeoning manufacturing industry. China also has an ambitious plan of blasting through the Mekong rapids in order to have a shortcut to the major shipping lanes and this would give a tremendous boost to its industries in the south.

The Mekong riparian state that would suffer most is Laos, which stands to lose part of its territory due to the blasting of the rapids. Also the destruction would affect the fish ecology in the area, disturbing their spawning habits. Because of these, Vientiane has voiced strong opposition to the project.

Apparently, the notions of "sustainable development" and "environment protection" appear as big words being used in the Mekong Commission's framework.

It is, however, difficult to expect them to take these terms off because they can be used to window-dress many things. In reality, the planners' drive for a development scheme in the Mekong has always been to construct a cascade of dams on the Mekong mainstream. Though the "basin development plan", which is expected to encompass the Mekong mainstream "run of-the-river" scheme (a revised version of the former cascade of Mekong dams), was yet to be unveiled in Chiang Rai, Thailand rushed to propose the Ban Koum Dam.

The overriding question is how two contradictory goals: sustainability and development, can be achieved, if not at the expense of one another.

With the support of the United Nations, the Mekong Commission provides an ideal arena for national agencies and donor communities to legitimize their role as a so-called "watchdog" for the Mekong environment. Rather narrowly, an assumption has been made that only states can protect the Mekong ecosystem, by promoting the use of the river through regional cooperation.

Ironically, this approach only leads to the continuity of making development decisions in a top-down manner, controlled by state agencies and donor communities.

The only advantage of the Mekong Commission is that it serves as a forum for negotiations and discussion among the riparian states. In terms of regional cooperation, however, it is clear that it is lop-sided in favor of Thailand. But what is certain in the settlement of the so-called new economic order in the Mekong region is that the stronger will get the bigger piece of cake and the weak Indochinese countries will certainly be given smaller pieces, if not crumbles, of what was once the Mekong.

In Phnom Penh this July, how the Mekong Commission is proceeding with the "basin development plan" must be watched closely. Whether the commission has plans to protect the Mekong river or support the dam-building industry will soon be unveiled.

Categories of Businesses Under Law Detailed

BK1404051495 Bangkok BANGKOK POST in English
14 Apr 95 p 13

[Unattributed report]

[FBIS Transcribed Text] The proposed new Alien Business Law, currently being considered by the Council of Economic Ministers, has the potential to open a number of previously closed sectors to foreign investors.

The draft law, which is designed to replace the more restrictive law that has been in force since 1972, contains two annexes: Annex 1 listing sectors that will be

restricted for Thai nationals and Annex 2 listing sectors in which foreigners will be able to engage two years after the law takes effect.

The existing law contains three annexes that impose varying degrees of restrictions on foreign businesses. Many of these will be moved into Annex 2 of the new law if it is passed by Parliament.

The Council of Economic Ministers believes that businesses in Annex 2 should be those in which Thais will have a reasonable chance of competing with foreigners after the two-year grace period.

However, further protection for businesses listed in Annex 2 could be extended by means of another Act. The maximum extension is expected to be two years, giving businesses a total of four years to prepare for liberalisation.

As new kinds of businesses emerge, decisions will have to be made about placing them in Annex 1 or 2. The protection period for businesses in Annex 2 would remain at two years.

Thirty-four businesses now listed in Annexes A, B and C of the 1972 law will be placed in Annex 2 of the new law. Twenty-five businesses that will remain limited to Thais will be in Annex 1.

The protected businesses in Annex 1 are:

1. Agriculture: rice farming; salt farming including manufacture of efflorescent salt but excluding rock salt mining; gardening; livestock farming including cocoon raising; forestry.

2. Commerce: trade in real property; sale of antiques, period antiques or works of art.

3. Industry and handicrafts: rice milling; manufacture of sugar; wood processing; manufacture of products from gold, silver, niello or bronze; manufacture or casting of Buddha images and alms bowls; manufacture of woodcarvings stone blasting or crushing; manufacture of plywood, wood veneer, chipboard or hardboard; newspaper publication; silk combing, silk weaving or printing of patterns on silk materials manufacture of products from silk, silk threads or silk cocoons.

4. Services: photography; laundry; tailoring; auctions; haircutting, hairdressing, beauty treatment.

Annex 2 businesses that will be liberalised include:

5. Agriculture: fishery.

6. Commerce: wholesaling of all types of products in the country, except those specified in Annex 1; retailing of machines, engines and tools; domestic sale of traditional agricultural products; retailing of all products except those specified in Annex 1; sale of mining products except those specified in Annex 1; sale of all types of foods and beverages.

7. Industry and handicrafts: manufacture of animal feed; extraction of vegetable oil manufacturing of embroidering and knitted products, including weaving, dyeing and pattern printing; manufacture of glass containers including lightbulbs; manufacture of crockery;

manufacture of writing and printing paper; rock salt mining; mining; manufacture of flour from rice field crops; manufacture of alcoholic and non-alcoholic beverages; manufacture of ice; manufacture of drugs; cold storage; manufacture of all types of matches; manufacture of lime cement or cement byproducts; printing presses.

8. Services: tour agencies; hotel business except hotel management; businesses under the law on service-providing establishments; accountancy; law except arbitration activities, architecture; futures market, derivatives, bond market; acting as an agent or representative in wholesale, retail and domestic services; business administration management.

Article Views Prospects for Military Posts

*BK1404083895 Bangkok BANGKOK POST in English
14 Apr 95 p 4*

[Article by "Post Reporters": "Forget the Other: Old Soldiers Find It Hard Just Fading Away"]

[FBIS Transcribed Text] Most people thought his military career was finished. But last week Lt Gen Chainarong Nunphakdi, the former First Army Region commander whose forces brutally squashed democratically minded demonstrators during the bloody May 1992 incident, became a four-star general thanks to Gen Wimon Wongwanit. He was made chief of the army commander's staff officers during last week's mid-year reshuffle.

Gen Chainarong, once groomed by the National Peace-keeping Council [NPKC] for the position of army commander, is now tipped to take a key post with the army by the end of the year when Gen Wimon retires—which goes to show how much influence the NPKC and its Class 5 officers still hold over the army.

"With this latest developments, no one can rule out the possibility that Gen Chainarong might be selected by the army commander to become the new assistant army commander," said one general, noting that Gen Chainarong still had close ties with Gen Wimon.

Gen Chainarong, who will retire in 1999, is a graduate of Chunlachomklao Military Academy Class 11 and a close relative of former army commander Gen Itsaraphong Nunphakdi, whose influence in the army led to Gen Chainarong's rapid promotion to key positions during the early 90s.

Gen Chainarong was promoted in late 1988 to commander of the Royal Thai Armed Forces Preparatory Academy with the rank of major general. A year later he was appointed 2nd division commander, and in late 1990 he was named commander of 1st division. He became commander of the 1st army corps in late 1991.

When Gen Itsaraphong was named army commander in April 1992, replacing his brother-in-law Gen Suchinda Kraprayun who resigned from the powerful army post to

become the country's 19th premier, Gen Itsaraphong personally selected Gen Chainarong, then First Army Corps commander, to become commander of the First Army Region supervising security in the central region including Bangkok.

At the time, the successors for the top army post had already been planned. Gen Itsaraphong was to hold that powerful post till his retirement in 1994, while then deputy army commander Gen Wirot Saengsanit, who is now deputy permanent secretary for defence, was to become army commander till late 1996. Gen Chainarong would then hold the post for another three years.

It was the bloody military crackdown on unarmed protesters in May 1992 which changed the whole situation. Gen Itsaraphong, Gen Wirot and then Lt Gen Chainarong were all removed from their powerful posts.

Gen Itsaraphong and Gen Wirot were both shifted to the position of deputy permanent secretary for defence, inactive posts within the defence ministry, while then Lt Gen Chainarong was named commander of the institute of army academics.

Army Commander Gen Wimon surprised military observers last September when he decided to shift Lt Gen Chainarong from his inactive post to the position of army deputy chief-of-staff, a key position within the army.

In the same reshuffle, Gen Wimon promoted then 1st army commander Lt Gen Chettha Thanacharo, who was known to have established close ties with Gen Itsaraphong, to assistant army commander.

The promotion of then Lt Gen Chettha, who will retire in 1998, surprised many army observers since he is junior to Lt Gen Thawan Sawaengphan, another army deputy commander who was promoted last week to army adviser, a four-star general position.

"It is quite clear Gen Wimon has thrown his military support behind Gen Chettha and wants him to take the top army post in late 1996," said one senior army officer.

"It is not surprising Gen Wimon is giving his support to Gen Chettha when you realise he worked closely as Gen Wimon's subordinate in the 1st regiment and in the 2nd army where Gen Wimon was commander."

Gen Chettha is a graduate of Class 9 while Gen Thawan, who is also due to retire in 1998, is a graduate of Class 7 whose leading members include Phalang Tham Party leader Maj Gen Chamlong Simuang and Maj Gen Manun Rupkhachon, an adviser to Interior Minister Sanan Khachonprasat.

Gen Chettha has been selected personally by Gen Wimon to be the army's representative participating in many important missions.

Apart from Gen Wimon, assistant army commander Gen Anuphap Songsunthon will also retire within the next five months.

"Gen Phaibun (Emphan) is certain to take the top army post while Gen Suthep (Siwara) might be made the new defence permanent secretary. For political reasons it's unlikely that Gen Wirot will be named to that post," said one general.

Gen Wirot was once a key member of the now-defunct National Peace-keeping Council led by former army commander Gen Suchinda which toppled the elected government of Gen Chatchai Chunhawan in February 1991.

Gen Phaibun is now deputy army commander while Gen Suthep is the army chief-of-staff. Both will retire next year.

One veteran military observer said he was certain Gen Wimon would pick both Gen Chainarong and Gen Thawan to hold key positions in the army late this year.

The observer said he could not rule out the possibility that Gen Ariya Ukhottit, another former military classmate of Gen Itsaraphong and Gen Wimon who now holds the inactive post of "attached to the army commander", would also be moved to a key position in the army late this year.

Gen Ariya was seen as Gen Itsaraphong's protege in the army and was the 2nd army commander during the bloody May turmoil. He was moved to his present inactive post after that incident.

"One should not forget that they are all former classmates in Chunlachomkao Military Academy Class 5. Gen Ariya will retire next year and might be given a key position in the army before his retirement," said the observer.

Former 4th army commander Gen Kitti Rattanachaya, who was shifted to an inactive post with the army last year by Gen Wimon, is considered another capable senior army officer. But military insiders rule out any likelihood that he might be recalled to take a key army post in the next army reshuffle scheduled for September.

"It is widely known that Gen Wimon dislikes him so much," said one army officer, noting that he did not think the officer would be given any significant army post unless there was interference from outside.

Among military dark horses who might emerge as potential candidates to fill vacant posts during the next military reshuffle are Gen Watthana Sanphanit, commander of the Supreme Command's National Security Command who is known to be at odds with Gen Wimon, and Gen Mongkhon Amphonphisit, supreme command deputy chief-of-staff, who has tried unsuccessfully to return to the army.

"I would not rule out the possibility that Gen Watthana might be shifted back to the army. But this could only be made possible if there is strong outside pressure from an influential group of people," said another general with the Supreme Command.

Gen Watthana, who is seen as a democratically minded officer, was a graduate of Class 8 and will retire in 1999.

One military officer said it was known among military insiders that Gen Watthana had established close ties with Prime Minister Chuan Likphai during the past decade.

"It is still too early to make any prediction whether Gen Chettha will be able to climb to the top of the military ladder. It partly depends on the political situation at the time. If the Government is able to complete its four-year term next year, then one should see who becomes prime minister after the general election," said a general with the Supreme Command.

One should not forget that it was Prime Minister Chuan who opposed the move to appoint ACM [Air Chief Marshal] Suthep Theppharak, known to have close military links with former key NPKC member ACM Kaset Rotchananin, to become the position of air force commander in late 1993.

Prime Minister Chuan threw his support behind present Air Force Commander ACM M.R. Siriphong Thongyai who will retire next year.

It was reported that Prime Minister Chuan also disagreed with the move to name Gen Wirot the new permanent secretary for defence during last year's military reshuffle.

Gen Prasoet Sararit, a cavalry officer and former classmate of Gen Wirot, was selected, but he is due to retire next October.

"One cannot under estimate Prime Minister Chuan. If he is still the premier after the next general election, anything could happen," said the general.

Vietnam

Do Muoi Continues Official Visit in ROK

Speaks at Banquet

BK1304120995 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 12 Apr 95

[Report by Dao Nguyen]

[FBIS Translated Text] Dear friends, South Korean President Kim Yong-sam and his wife hosted a grand reception yesterday evening at the Presidential Palace in honor of General Secretary Do Muoi.

In his welcoming speech, President Kim Yong-sam highly valued the achievements of Vietnam's reform program over the past years and took into account the fine results of bilateral cooperation in public health and culture. President Kim Yong-sam expressed the belief that Vietnam would score even better achievements in the future and hoped that his country would continue to promote cooperation with and investment in Vietnam.

In his reply speech, General Secretary Do Muoi said he was pleased to visit the Republic of Korea [ROK] and witness the achievements of the South Korean people. He welcomed and shared President Kim Yong-sam's desire to open a new chapter in bilateral cooperation. He said emphatically: We attach great importance to the promotion of relations with countries in the Asia-Pacific region, including the ROK with its important role. This is a dynamic region, because it has the highest economic growth rate in the world. Several instability factors still stand in the way of regional development. Nonetheless, the regional political situation is relatively stable compared to other parts of the world. It is our hope that regional countries will join hands in turning the Asia-Pacific into a region of peace, stability, cooperation, and prosperity. Vietnam is ready to hold bilateral and multilateral talks with regional countries to discuss this issue. It is our belief that our national development efforts will also help make that lofty goal come true. Vietnam follows with keen interest the situation in the Korea Peninsula. In implementation of its foreign policy of diversification and multilateralization, Vietnam is broadening cooperation with the ROK in many fields while at the same time continuing to strengthen and develop its traditional friendship with the Democratic People's Republic of Korea in the interests of the Vietnamese and Korean peoples and for the sake of peace, stability, cooperation, and development in the Korea Peninsula; the Asia-Pacific region; and other parts of the world. Vietnam supports the Korean people's aspirations for peace, unification, and a nuclear-free Korean Peninsula. We welcome the results of recent talks on this issue and hope that the parties involved will settle their differences through peaceful negotiations on the basis of respect for each country's national sovereignty and for international laws.

Visits Stock Exchange, Pusan

BK1404030595 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Apr 95

[Report by Dao Nguyen from Korea]

[FBIS Translated Text] Dear friends: Today, the third day of their visit to South Korea, General Secretary Do Muoi and his entourage visited South Korea's Stock Exchange Transaction Office.

His Excellency Hwang Nak-chu accorded a warm welcome to General Secretary Do Muoi and said that South Korea's stock market now has 700 companies with a liquid capital of 25 trillion won. Thus, South Korea was able to mobilize 40 percent of the people's capital for national economic development.

His Excellency Hwang Nak-chu said: South Korea once experienced many difficulties similar to those now facing Vietnam in its process of economic development. Therefore, South Korea is very sympathetic and will strive to help Vietnam build its stock market. More specifically, South Korea has exchanged views on its aid plan in which emphasis is placed on personnel training. According to this

plan, in 1995 South Korea will train 100 personnel—50 each for Hanoi and Ho Chi Minh City—in stock market services. At the same time, it will appoint 20 Korean stock market experts as instructors in preparation for the introduction of the stock market subject at a university.

Comrade General Secretary Do Muoi welcomed South Korea's help in building a stock market in Vietnam and expressed his hope that with the effective assistance from South Korea's Stock Exchange Transaction Office, Vietnam will acquire additional sources of capital for economic development.

Also in this morning, Comrade General Secretary Do Muoi and his entourage visited South Korea's National Assembly. General Secretary Do Muoi was welcomed by His Excellency Hwang Nak-chu, chairman of the National Assembly; and representatives of various opposition parties, and leading members of the National Assembly. The chairman of the South Korea's National Assembly said: I am deeply moved and proud to be visited by General Secretary Do Muoi. Especially, in his speech delivered at a banquet hosted by President Kim Yong-sam last night, His Excellency General Secretary suggested that the two countries would close the past and look forward to the future. The South Korean National Assembly expressed the wish to see the relations between the two countries, including the two national assemblies, continue to develop in accordance with the potential of each respective country.

The vice-chairman and the chairman of the National Assembly as well all those present exchanged their views with Comrade General Secretary Do Muoi on a number of issues, including grain production and rice exports in Vietnam.

Comrade General Secretary Do Muoi expressed his pleasure at South Korea's economic development achievements. He also expressed his hope that the National Assemblies of Vietnam and South Korea will develop in accordance with the potential of each respective country.

On behalf of Vietnamese National Assembly Chairman Nong Duc Manh, Comrade General Secretary Do Muoi invited his excellency the chairman of South Korea's National Assembly to visit Vietnam to exchange experience on parliamentary activities and to help further tighten the solidarity and friendship between the two countries.

Also today, Comrade General Secretary Do Muoi and his entourage visited the Sam Sung group—South Korea's largest economic group—whose 1994 turnover was \$61.5 billion, with electronics goods accounting for over \$18 billion.

Comrade General Secretary Do Muoi was shown around by His Excellency (Kang Chin-ku), president of the Samsung engineering and electronics company of the Samsung group, visiting a new generation and most advanced computer floppy disks manufacturing plant, which is capable of manufacturing floppy disks with a

storage capacity of 25 megabytes. Highly competitive, most of these floppy disks are designed for export.

Dear friends: This afternoon, Comrade General Secretary Do Muoi and his entourage left Seoul for Pusan to continue their tour of South Korea. A solemn send-off ceremony was held at the Seoul airport. His Excellency Foreign Minister Kong No-myong and many leading members of the Cabinet and the Democratic Liberal Party—South Korea's ruling party—walked to the ramp of the airplane to see Comrade General Secretary Do Muoi off.

ROK To Help SRV Develop Nuclear Power Plant

*BK1404042195 Hanoi Voice of Vietnam in English
1000 GMT 13 Apr 95*

[FBIS Transcribed Text] The South Korean Minister of Trade Pak Chae-yun has committed his country's assistance to development projects in Vietnam including the building of a nuclear power plant with the capacity of 1,000 mw, the first of its kind in Vietnam.

The commitment was made during talks with visiting Vietnamese Minister of Trade Le Van Triet in Seoul. At the talks, the Vietnamese minister asked South Korea to help Vietnam in technology, human resource training, and feasibility studies for the \$2.7 billion power plant project. He invited South Korean businessmen to join in the exploration and exploitation of oil and other natural resources, and the construction of a steel plant in Vietnam.

Australian Parliamentary Delegation Visits

*BK1404023495 Hanoi VNA in English 1441 GMT
13 Apr 95*

[FBIS Transcribed Text] Hanoi VNA April 13—A delegation of the Australian Federal Parliament led by Senator Stephen Loosely, president of the Commission for Coordination on External Relations, National Defence and Trade, paid a visit to Vietnam from April 3-13.

The delegation also included Senator Alexander Downer, spokesman for the opposition party's external relations policy Senator Vicki Bourne, spokesman for the Democratic Party's external relations and representative of the Law Reform Commission and others.

The delegation had working sessions with the head of the Vietnamese National Assembly's [NA] External Relations Commission and a number of NA deputies.

It had talks with the NA Law Commission and representatives of some ministries and institutions concerned. It also met with representatives of various ministries, branches and mass organizations.

The Australian guests toured Hue, Ho Chi Minh City and the resettlement of returnees in the southern Province of Dong Nai.

During the meetings, Senator Loosely laid stress on his delegation's aim to further strengthen the mutual understanding, friendship and multi-faceted cooperation which have been well developing between Vietnam and Australia. He spoke highly of the Vietnamese people's hospitality and their frank exchange of views during the visit of his delegation. He also said that the visit was successful beyond expectation. He said that in reports to the Australian Parliament and government, his delegation would make concrete proposals for furthering the relationship between the two legislatures and peoples. He said he hoped that the two legislatures would continue to promote the exchange of visits in the coming time.

Ms. Susan Boyd, Australian ambassador to Vietnam, and a number of officials of the Australian Foreign Ministry also took part in a number of activities of the delegation.

Ministry Holds Conference on 1975 Victory

*BK1404045595 Hanoi Voice of Vietnam in English
1000 GMT 13 Apr 95*

[FBIS Transcribed Text] A meeting was held in Hanoi on Wednesday [12 April] by the Ministry of Defense and the Association of War Veterans [AWV] to review the tradition of the Vietnam People's Army over the past 50 years, particularly in the Spring 1975 victory.

The meeting was attended by the Minister of Defense General Doan Khue and many other senior officials.

On behalf of the AWV, Lieutenant General Tran Van Quang reported on the achievements and activities of the association over the last five years.

Ad Hoc Group Formed To Oversee Reform

BK1304154495 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 13 Apr 95

[FBIS Translated Text] The government has issued Decision No. 210 TTG on the formation of an ad hoc group to oversee the administrative reform program. The group has the following duties: To formulate a government action program designed to improve administrative procedures; assist the prime minister in developing guidelines for work implementation; design measures to carry out the administrative reform program and oversee its implementation by various ministries, sectors, and localities; help with and monitor the implementation of the government-initiated administrative reform program by the various ministries, sectors, government agencies, and local administrative organs at all levels; and evaluate administrative reform projects submitted to the prime minister by the various ministries, sectors, and localities.

The group consists of 10 members and is headed by Minister Le Xuan Trinh, chief of the Government Office. A number of officials now on work assignment with various ministries, sectors, and localities will be selected to join the group in the future.

National Assembly Issues Communique No. 13

BK1404030995 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Apr 95

[FBIS Translated Text] The National Assembly Office has issued Communique No. 13. It says the National Assembly continued discussions at the Conference Hall today under the direction of National Assembly Chairman Nong Duc Manh. They discussed the situation regarding the implementation of the 1994-95 tasks, the state budget, and the enforcement of the law on land.

Prior to debating these issues, the National Assembly voted with a substantial congruence of views to pass the following organizational model for civil courts: Magistrates from special courts under the Supreme People's Court and from provincial and district people's courts are responsible for judging civil lawsuits.

Afterward, 21 deputies expressed their views: Mua Thi My from Thai Chau, Bui Cong Minh from Tra Vinh, Vu Quan Phuong from Hanoi, Tran Thi Nhan from Quang Ngai, Bui Thi Binh from Hoa Binh, Co Tan from Dac Lac, Vu Thi Ngoc Dau from Thai Binh, Nguyen Ngoc Hai from Haiphong, Truong Thi Hong from Nghe An, Nguyen Thanh Cao from Cong Tum, Trieu Thi Nhay from Yen Bai, Dang Thi Thanh Huong from Quang Ninh, Tran Thi Minh Chanh from Phu Yen, Ho Minh Man from Vinh Long, Le Thi Bich from Ninh Binh, Vu Thi Thu Hoai from Quang Binh, Nguyen Van Tu from Dong Nai, Ha Thi Khiem from Tuyen Quang, Diep Sinh Tan from Soc Trang, Nguyen Thi Thu from Ha Tinh, and Doan Van Teo from Binh Dinh.

Their views centered on various issues; for example: Measures to increase state budget revenue, guard against collection shortfalls, practice thrift in spending, and contain inflation; the issue of seeking operating loans and how to use such loans effectively; the issue of investing in cultural and educational development, particularly for mountain regions and islands; the implementation of Program 327 and other development investment programs and plans; the enforcement of the law on land and measures to enforce the stipulations of the law on land strictly; the issue of solving citizens' complaints and denunciations; and population and family planning tasks and cooperation between responsible organs in this respect.

Tomorrow morning, 14 April, the National Assembly will continue its session at the Conference Hall.

*** Justice Minister Interviewed on Civil Code**

952E0065A Hanoi NHAN DAN in Vietnamese 13 Feb 95 pp 1, 3

[Interview with SRV Justice Minister Nguyen Dinh Loc by NHAN DAN Correspondent The Lan; place and date not given: "The Civil Code Plays a Major Role in the Organization of Community Life"]

[FBIS Translated Text] [The Lan] Mr. Minister, the National Assembly Standing Committee recently made public the Draft Civil Code for public comment. Would you please tell us what is the position of this code in the life of society, especially in the conditions of the current development of market economy in our country?

[Nguyen] Speaking about the position of the Civil Code in the life of society, first of all we must talk about its major role in the organization of community life. Along with the customs already recognized, this code has the duty of guiding the behavior of each person in civil relations by establishing the standards that make up the framework for the behavior of each individual and organization in community life; protecting their rights and interests from violations; and, at the same time, safeguarding the common interests of the community, the state, and society.... It can be said that, together with other legal branches such as criminal and administrative law..., civil law, of which the Civil Code holds a central, fundamental position, is an effective tool for ensuring the stability and healthy character of social relations and promoting their advance in the direction in which all society is proceeding.

In the legal system of our country, the Civil Code occupies a position which is not only important but also very special in that its contents encompass very broad areas of social activities and relate to the diverse, vital material and spiritual needs in daily life of each citizen in his capacity as a member of the community as well as of all society.

When they correctly reflect the developmental need of society, civil law in general and the Civil Code in particular play a very great role, have a very great impact, and help promote the development of society as well as of each individual.

In the conditions of the current development of the socialist-oriented, state-managed market economy, the promulgation and satisfactory implementation of the Civil Code will certainly constitute no small contribution to and create the premises for making social relations healthy and stable while promoting their development, and at the same time will create a favorable environment for encouraging the dynamism and creativity of each individual and each organization, while establishing and preserving order, ensuring social justice, and contributing to promoting the renovation undertaking and achieving the goal of making the people prosperous, the country powerful, and society just and civilized.

[The Lan] As you have just said, the Civil Code plays a major role in the organization of community life. What social relations is it going to regulate?

[Nguyen] As everybody knows, the social relations regulated by law are highly diversified and exist in all areas of social life. In history, some people had tried to divide legal principles into two categories: public law and private law.

In fact, this division is only a relative classification aimed at providing the criteria for categorizing various legal branches and for understanding their particular characteristics.

Articles 1, 2, and 3 of Chapter 1, Part I, of the Draft Civil Code specifically determine that the objects of regulation of the Civil Code are property relations; personal relations; and the legal status of individuals, juristic entities, and other subjects in various civil rights and obligations as I have said above. The characteristics of these relations are voluntariness, equality, and conformity with the law and social ethics, and so forth.

Our society is in a transitional period, a period of change, but renovation has not yet been carried out long enough. However, civil relations reflecting the spirit of renovation has appeared and are taking a definite shape. These relations must be encouraged, promoted, and developed. But there also are no small amounts of civil relations containing unhealthy factors that should be checked, rectified in time, readjusted and led into the right direction. It is very important at this juncture to determine what categories of relations to be included in the Civil Code. This task must be based on reality and the developmental needs of society and in keeping with the regulatory procedures of civil law and the legislative tradition of our country, and there must be steady steps, especially in a domain in which we do not yet have much experience.

With six parts, 32 chapters, 48 sections, and 701 articles covering hundreds of important issues of civil life, the Civil Code project can be considered a major code compared to the legal documents already promulgated. However, this fact is only relatively significant. There still are many other issues of no lesser importance that have not yet been raised or have been included in the code only in general terms and in the form of principle. These issues must certainly be amended and detailed in the course of public comment and suggestions or later on in the process of implementation.

[The Lan] To reflect the importance of the code in social life in our country at present and in the years ahead, on the basis of what guiding viewpoints and concepts has the Draft Civil Code been developed?

[Nguyen] Considering the characteristics of this juncture, the Civil Code that we are developing must be a code for the period of transition to socialism in our country. The content and form of each stipulation as well as of the code as a whole must reflect the particular characteristics of the current period. They must also be impregnated with the major guiding viewpoints and concepts, which are to be determined from the beginning and amended and perfected throughout the process of elaborating the code.

The Civil Code must institutionalize the Political Program, the Sociopolitical Development Strategy, and various resolutions of the party. It must also substantiate the

1992 Constitution, especially its provisions on the rights and obligations of citizens, and protect the interests of the working class, the laboring people, and the entire national community. This is the most fundamental viewpoint ensuring that this code, which is second only to the Constitution in importance, will become an effective tool for managing society in the direction of development determined by the party.

The Civil Code must contribute to ensuring the continued liberation of productive forces, encouraging all economic sectors and strata of people to live and work according to the law and in the interest of the cause of national development to achieve the goal of making the people prosperous, the country powerful, and society just and civilized. Impregnated with this viewpoint, the Draft Civil Code creates a mechanism and a safe and unobstructed corridor for civil exchanges, thereby allowing all individuals and organizations to exert their civil rights and fulfill their civil obligations with peace of mind. It also upholds the role of contracts, encourages creativity, and help develop services, household economy, and cooperative teams.

The Civil Code establishes the legal standards for organizations and individuals engaged in civil relations in order to strengthen the management of social activities by law according to the socialist orientation, to give expression to our national tradition of unity and mutual affection, and to ensure that the code has a national and epochal character.

The Civil Code must contribute to curbing and preventing disputes in civil relations, making social relations healthy, ensuring democracy and justice, firmly maintaining political stability, and giving full play to the sense of unity and community spirit of all people.

These guiding viewpoints and concepts are not only significant to the current development of the Civil Code. It will certainly have the effect of guiding the commenting on and interpretation, application, and implementation of the code after it is approved, and even the continued improvement of the national system of civil law.

[The Lan] In your view, how are the characteristics of our cultural traditions and our national customs and habits reflected in the Draft Civil Code?

[Nguyen] As I have said earlier, elaborating a Civil Code in keeping with Vietnamese realities is one of the guiding viewpoints that have governed the researching and drafting process. These are not only the needs arising directly from the task of carrying out the renovation undertaking such as building the market economy and promoting civil exchanges. In addition, we must also pay full attention to the cultural values and the customs and habits giving expression to the traditional psychology of the Vietnamese people.

We must also realize that although our national cultural traditions and customs and habits have their particular

characteristics, in the process of the intercourse between nations through many generations, not only what is different from other peoples that makes up Vietnamese culture and customs and habits. Therefore, provisions similar to those in our Draft Civil Code could be found in the Civil Codes of other countries, for example, the provision on inheritance. Our Draft Civil Code has continued to uphold the current legal regulations which have been found to be still appropriate and accepted by reality.

It must be said that this time around we have not elaborated the current Draft Civil Code from scratch. The principle of inheritance was already established and strictly implemented. The long experience of our national history as well as the legislative realities of the 50 years of people's power was carefully considered and taken in. What is particularly valuable is that, right in the conditions of a protracted, atrocious war, President Ho Chi Minh, showing great breadth of vision and thinking of the future, promulgated various decrees such as Decree 97/SL dated 22 May 1950, which has important historical significance and whose really democratic, progressive principles of civil law have a profound popular character, still retain their full value, and serve as the basis for the development of the Vietnamese Civil Code in the period of renovation.

[The Lan] Finally, would you please tell us how significant is the solicitation of public comment on the draft to the elaboration of the code?

[Nguyen] This is a broad political drive and a movement allowing the people to bring into full play their right to mastery, to participate in elaborating a major code of the country, to take another important step in heightening their knowledge of national law and order as well as their sense of preserving morality and the fine way of living, and to bring into full play their spirit of unity and mutual assistance.

Proceeding from its appreciation of the great significance of the current drive for public comments, the Secretariat of the Party Central Committee has issued a directive and the Standing Committee of the National

Assembly has drawn up a plan to organize the comment-soliciting drive in order to mobilize the intellect of the people of all strata who contribute ideas to the development of the Draft Civil Code.

Confident in the active and enthusiastic participation of the compatriots from all walks of life in the elaboration of the first Civil Code of our country, on behalf of the Drafting Committee, I would like to express my heartfelt thanks to NHAN DAN and other organs of the mass media which have been and will be actively contributing in their own ways to the success of this political drive, a memorable event in 1995.

[The Lan] Thank you, Mr. Minister.

Three More Arrested in River Construction Case

BK1304160695 Hong Kong AFP in English 0856 GMT
13 Apr 95

[FBIS Transcribed Text] Hanoi, April 13 (AFP)—Three more Hanoi officials have been arrested following a building permit scandal which allegedly allowed about a thousand houses to be built illegally on the Red River dyke, which protects the capital from floods, reports said Thursday.

The director of the city's water services, Nguyen Quoc Trung, and two members of his department were accused of abusing power and neglecting their responsibilities, newspapers here said.

Three others—Hanoi's deputy chief architect Trinh Hong Trien and two of his colleagues—were arrested at the end of March and accused of providing illegal construction permits in exchange for bribes.

In addition, two senior water department officials were suspended from their jobs for negligence in what is being called one of the largest corruption scandals reported here.

Authorities have recently ordered the destruction of more than 300 of the houses along the dyke. The weight of the structures caused cracks which authorities say would threaten Hanoi residents in the event of floods.

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